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Preparations for Chemical Accidents Criticized
92BA0364A Sofia BULGARSKA ARMIYA in Bulgarian
2 Dec 91 pp 1-2

[Article by Major Georgi Vuchev: "Toxicological Care in Chemical Disasters in Our Country Has Often Been Chaotic and Incompetent"]

[Text] "This has resulted in the occurrence of large (for the size of the country) medical and irreparable losses and tremendous economic damage," asserts Docent Nikola Aleksandrov, chief toxicologist of the Bulgarian Army and chief republic specialist.

A comparative characterization between the number of direct casualties in chemical disasters in the past 10 years and the casualties during the rendering of care, the cleanup of the chemical epicenter, the carrying out of rescue operations and other allied operations shows that the primary casualties numbered only 588 persons (28 percent) as against 1,503 secondary casualties (72 percent)—nearly three times as many.

Most commonly, the reasons for the high number of secondary casualties in chemical disasters in Bulgaria are the following: employment of administrative-and-command methods in cleaning up the aftermath of chemical disasters by supervisors from a narrow group of administrative supervisors, including heads of hospital establishments, untrained to work under emergency conditions, without enlisting competent specialists or belatedly doing so; initial simplified inspection of the chemical disaster by the management of the damaged enterprise or by the local board, embellished with an attempt to cover up what had happened; lack of a comprehensive approach to the solution of the complex problems of chemical disasters (including those at the national level); lack of a unified national information system for notifying and assembling the physical persons and organizational structures participating in the rescue operations; lack of national centers and teams (composed of competent specialists) to work out the problems of disaster medicine and the principal specializations thereof (toxicological, radiobiological, traumatological, and so forth); formal advance preparation for cleaning up the aftermath and preventing chemical disasters.

The changes taking place in Bulgaria also necessitate serious change in organizing the provision of casualty treatment and evacuation in the event of massive chemical havoc. But this could be done while preserving the hitherto existing medical and nonmedical teams, enhanced with a number of new elements and intercommunications.

The departmentalization hitherto existing in the subordination of the different teams necessitates clarification of the ranking list of the various participants and the existence of a common leadership that is properly assumed by a superior authority in the person of the Governmental Commission for the Control of Natural Disasters and Major Industrial Accidents, headed by a competent prime minister. The replacement of the N. I.

Pirogov NISM [expansion unknown] by the Military Medical Academy is necessitated mainly because of the breakdown of the hitherto existing command and administrative abilities of the leadership of the aforementioned institute, which abilities have had favorable results in the system as it has hitherto operated. At the same time, for understandable reasons, the VMA [Military Medical Academy] is obviously retaining the command methods necessitated, given the emergence of conditions that in character approximate military operations in the event of massive chemical havoc. Of substantial significance also is the creation of toxicology clinics, actually operating in the VMA structures in the cities of Sofia and Varna (in the future also most likely in the remaining large industrial centers). Important also is the creation of a special-purpose detachment having at its disposal key personnel in a constant state of readiness, as well as stocks of materials and equipment earmarked for disastrous events. It is no accident that similar detachments existing in advanced countries like France and Germany are subordinated to and operate under the command of the corresponding military medical service. No less important, either, is the setting up of a unified control center, provided with the maximum of equipment and receiving information around the clock in the event of the occurrence of massive toxic effects.

The preparation of a large obshchina (city, university, military, and so forth) hospital to admit and treat casualties in the event of massive chemical toxic effects is a complex task requiring highly skilled personnel and corresponding organizational experience. A number of studies show that, for a hospital to be able to function properly in the event of emergency situations, what is needed is the formation of a functional foundation of five fundamental components: hospital staff, admitting and sorting section, medical section, medical care units, and special unit. Of decisive significance in the event are the development and translation into reality of stable information communications between the VMA and the large obshchina (city, university, military...) hospitals taking part in the cleanup of the aftereffects in the event of chemical and other disasters. This would best be accomplished by setting up a TsDP [central control point] at the VMA that would maintain communication with the large industrial enterprises, MVR [Ministry of Internal Affairs] agencies, the large hospitals and principal administrative structures, and the Governmental Commission for Control of Natural Disasters and Major Industrial Accidents.

Under present conditions in Bulgaria, the specialization of toxicological care in the event of chemical disasters must begin at once after the first information comes in to the TsDP, through consultation with the physician-toxicologist from the acute toxic-effects clinic at the VMA, while, for the next two or three years, it would be to the point that the advance detachment (from the special-purpose detachment) sent to the epicenter of the disaster should be reenforced with a mobile toxic chemical laboratory.

First aid in the region of the chemical epicenter must be rendered by specially trained civil defense units of the enterprise that is affected or of nearby enterprises. First aid and evacuation of casualties will have to be performed also by firefighters, special units of the MO [medical detachment], special antichemical defense detachments, and so forth. This in turn necessitates giving special medical training to the above-enumerated structures making up the emergency rescue groups.

Let us knock on wood that the elements thus enumerated for the rendering of care in disastrous situations will not be necessitated, but let us hope that, if they are adopted by the competent authorities, we may at least count on the necessary organization and professionalism in such highly responsible work affecting not only the Army, but also the whole of society.

Readers' Questions on Taxation Answered

Types, Amounts

92BA0363A Sofia DEMOKRATSIYA in Bulgarian
18 Dec 91 p 3

[Text] "Business Journal" opens its pages to the questions of all businessmen who need expert advice. We owe the new beginning of this column to the kind cooperation of the consulting bureau of the Khiron OOD [Limited] Company and its chief, Mr. Veselin Vulov.

You may ask questions by calling 39-02-19 every Monday between 1400 to 1600 hours. The first six questions will be answered free of charge.

WHAT TAXES AND PAYMENTS ARE WE REQUIRED TO MAKE FOR OUR ECONOMIC ACTIVITIES DURING THE PRESENT YEAR? —

Asked by Stoyan Zhelyazkov, Kontakt Company, Sofia

The kind of taxes a given company pays or will have to pay depends, above all, on its legal status as determined by the Commercial Code that became effective on 1 July 1991. According to it, individuals engaged in economic activity are divided into two basic categories: physical and juridical. The type of taxes and payments a company or its owners owe to the national budget depends on the category to which a company belongs.

Private merchants and citizens who produce goods or provide services without the corresponding registration belong to the group of physical persons. Private companies and individuals working under civil contracts registered before 1 July 1991 also belong to this group.

The tax liability of these economic entities is determined, according to the Income Tax Law, by taxing the yearly taxable income (expressed as the difference between earnings and the actual inherent expenditures) according to Article 13, using an ascending scale.

In cases where documents for expenditures are unavailable, the law allows 10-60 percent to be subtracted from earnings, depending on the nature of the activity.

Producers of consumer goods enjoy special consideration. Their tax liability is on only 75 percent of income obtained after the sale of such goods for the first three years after the law becomes effective. The second category includes the entire spectrum of companies that are juridical persons: partnerships, limited partnerships, corporations, companies with limited liability, and limited shareholding partnerships; public organization companies, state and township companies, including private commercial companies with state participation, as well as partnerships organized under public organizations, political parties, unions, and so on. The above-mentioned companies contribute to the budget by paying:

- Tax on profits—40 percent.
- Payments to the local obshtinas' budgets—10 percent of profits.
- Payments to the Land Improvement Fund—2 percent of profits.
- Tax on an increase of funds for wages. This tax is owed by companies with more than 50-percent state or obshtina participation. The size of payments is determined quarterly, according to the increase of the amount of wage funds, and is paid from profits.

All liabilities enumerated thus far for companies that are juridical persons are calculated on the basis of taxable profits, the size of which is determined by the difference between income and expenditures, according to Parts I, II, and III of the Income and Expenditures Report. All companies and physical and juridical persons are required to file this report.

Firms registered before the passing of the Commercial Code have been transformed into the corresponding companies.

The most substantive change in status was experienced by collective firms that, by converting to partnerships, became juridical persons. The tax liability of these companies for the current year will be determined according to both schedules described. Actually, the final resolution has yet to be passed by the National Assembly, where a proposal has been introduced to retain the tax schedule for these companies from the beginning of the year.

Foreign Partner

92BA0363B Sofia DEMOKRATSIYA in Bulgarian
24 Dec 91 p 3

[Text]

WHAT IS THE TAX LIABILITY FOR THE PRESENT TAX YEAR OF COMPANIES WITH FOREIGN PARTICIPATION?

According to the Commercial Code in effect since 1 July 1991, commercial companies, including companies with foreign participation, have the status of juridical persons. For this reason, they pay taxes on the basis of the profits that result from their economic activities. The

amount of taxable profits is determined as the difference between the income from their activities and their expenditures, calculated on the basis of Parts I, II, and III of the Income and Expenditures Report, which all commercial companies are required to file.

The Commercial Law eliminated the differences defined by the previously active regulations of Ukase 56/1989 on economic activities regarding joint ventures with foreign participation.

However, the way in which joint ventures are taxed remains in effect, and, according to it, the amount of tax depends on the percentage of participation of the foreign partner in the company.

Commercial companies with under-40-percent foreign participation in the start-up capital of the company are treated like all Bulgarian commercial companies and have the same tax liability. These companies pay taxes as follows:

- Tax on profits—40 percent.
- Payments to the obshchina people's councils—10 percent of profits.
- Payments to the Land Improvement Fund—2 percent of profits.
- Tax on an increase of funds for wages. This tax is owed by companies with more than 50-percent state or obshchina participation in the start-up capital.

Commercial companies with more than 49-percent foreign participation and over \$100,000 (or their equivalent), according to Article 108, Paragraph 2 of the ukase, are taxed 30 percent of the profits. All other payments required of companies are required also of companies with foreign participation.

When these companies have subdivisions that do not keep independent accounts and are located on the territories of other obshchina people's councils, they contribute to the obshchina budgets in proportion to the staff working in these subdivisions.

In addition to tax on profits, commercial companies with foreign participation pay tax on business volume, excise taxes, and others.

When determining the tax liability, special attention must be paid during the signing of international agreements to avoid double taxation.

Foreign individuals can do business through trade representatives, in addition to using companies with foreign participation. Taxes paid by the trade representatives are determined by their legal status: whether they represent juridical or physical persons.

* * *

This column is made possible through the kind cooperation of the Khiron consulting bureau, Tsar Samuil Street No. 42, Telephone 81-05-56. We hope to receive your questions on Mondays between 1400 and 1600 hours at Telephone 39-02-19. The first six callers will receive consultations free of charge.

Slovak Parliament Amends Electoral Law

*AU2902161792 Bratislava PRAVDA in Slovak
27 Feb 92 pp 1-2*

[Report by Antonie Vymazalova and Stefan Hrcka: "Admission Ticket to the Slovak National Council: 5, 7, and 10 Percent of Votes; The Slovak Parliament Amended the Electoral Law"]

[Excerpts] The third day of the 22d meeting of the Slovak parliament yesterday was taken up almost entirely by the debate on amending Slovak National Council Law No. 80 of 1990 on elections to the Slovak National Council. [passage omitted]

After voting on individual changes and additions, the plenum of the Slovak parliament passed the amendment. Of the 125 deputies present, 109 were in favor, eight against, and eight abstained.

The amendment contains inevitable changes arising from the abolition of national committees and the creation of local self-administration bodies and new state administration bodies.

It stipulates that persons serving a prison sentence will not be allowed to go to the polls. The proposal that citizens of the Slovak Republic living abroad would be able to take part in elections to the Slovak National Council did not pass. The law also bars from participation in the elections to the Slovak National Council soldiers who, although citizens of the Slovak Republic, serve in a military unit deployed outside the territory of Slovakia at the time of the elections.

The election campaign will last 23 days and will end 48 hours prior to the start of the elections. [State] Television and radio will reserve for the campaign 21 hours, which will be divided among the political parties running in the elections. Election campaigning on private radio and television is banned.

To qualify, parties must demonstrate that they have 10,000 members or submit petition sheets with 10,000 signatures. This condition does not apply to those parties that will either be represented in the Slovak National Council 60 days prior to the calling of the elections or that gained at least 10,000 valid votes in the last elections.

As for the division of parliamentary seats according to preferential votes, preferential seats will be given to those candidates of a political party who receive at least 10 percent of the total number of valid votes cast for their political party within the framework of their electoral region (under the current electoral law, 50 percent of the preferential votes is required).

The admission ticket into the Slovak National Council for four years will go to independently running political parties that gain at least 5 percent of the total number of valid votes, coalitions of two or three political parties that gain a minimum of 7 percent of the total number of

valid votes, and coalitions of four and more parties that gain a minimum of 10 percent of the total number of valid votes.

Expenditures connected with elections to the Slovak National Council, including communities' expenditures, will be covered from the budget of the Slovak Republic.

In the evening the Slovak National Council discussed the government-sponsored draft of a Slovak National Council law on state administration of the protection of the atmosphere. The submitted bill was approved after a debate and incorporation of comments.

The Slovak National Council meeting continues today.

Kalvoda Comments on ODA, ODS, Slovakia

*92CH0332A Prague LIDOVE NOVINY in Czech
4 Feb 92 pp 1, 3*

[Interview with Jan Kalvoda, first deputy chairman of the Czech National Council, by Roman Krasnicky and Karel Kriz; place and date not given: "Philosophy of History Is a Luxury"]

[Text] After graduating from law school in 1978, Jan Kalvoda worked as an attorney. In November 1989 he became one of the organizers of the Civic Forum [OF] in Rokycany. He was later proposed by the OF district center for the Czech National Council [CNR], into which he was coopted on 6 February 1990. He became a member of the constitutional committee, and following the June elections its chairman. During the restructuring of the CNR presidium in January 1991 he was, as the representative of the Interparliamentary Club of the democratic right, elected first deputy chairman of the CNR.

[LIDOVE NOVINY] Why do you think that last week so many deputies all of a sudden felt the need to focus their attention on the switch CNR Deputy Chairman Vlach made some time ago from the Independents to the Civic Democratic Party [ODS]? A similar reason could also be ascribed to you. Does this have anything to do with the Czech-Slovak negotiations?

[Kalvoda] What is happening today is obviously the inevitable polarization of forces in the CNR. There is no particularly burning issue here, so obviously there is a connection with what you have mentioned.

[LIDOVE NOVINY] You said recently that during the negotiations about the state setup the Czech political representatives did not make use of all the political means they had at their disposal. Can you explain your statement in more detail?

[Kalvoda] The budget for 1992 was approved, in spite of being more ill-defined than necessary. I consider budget discussions to be an entirely legitimate means that could have led to—I am not saying a break-through—but to a clarification of the Slovak political scene. That opportunity was not used to advantage. Another similar move, which does not lead to the breakup of the state but signals the will of the Czech parliament to defend Czech

interests in case the common state becomes doubtful, is the question whether the coupon privatization, that is, the distribution of national property, should be carried out on the territory of the entire federation.

It is being carried out, you see, on the basis of accounting costs, not market prices, and those will be lower in Slovakia than in the Czech lands. I am not saying this is the basic problem, I just want to illustrate the fact that the Czech government and parliament must consider future developments from various viewpoints. We must give serious thought to whether it is in the interest of the Czech citizen go on the assumption, lacking compelling reasons, that the common state will endure.

[LIDOVE NOVINY] We heard from Slovakia that Ivan Carnogursky is afraid of you....

[Kalvoda] That surprises me. Perhaps it is not true. At least I hope so.

[LIDOVE NOVINY] What in fact is it that the Slovaks are lacking?

[Kalvoda] Apparently time to experience all the inevitable vagaries of national and statehood aspirations and start building a society on the civic principle. In today's Europe they do not have that kind of time. I am not being critical here. That is why I think that we, too, should contribute something to the genesis of Slovak politics.

[LIDOVE NOVINY] Isn't this a rather aggressive stance?

[Kalvoda] A seemingly responsible attitude is for us to act on the conviction that it would be a catastrophe if the state were to break up. Of course, if someone comes to the political negotiations burdened with this baggage, he is at the mercy of whatever steps the partner may take. And he will accept them, because he is afraid of the "catastrophe." Being responsible, to my mind, means taking risks in such a situation.

[LIDOVE NOVINY] Two views on the events in Slovakia are crystallizing in the Czech political circles. Some assert that we are witnessing national emancipation, others—including you—see mainly personal ambitions of some of the Slovak politicians....

[Kalvoda] Historical retrospection, something Prime Minister Pithart is brilliant at, does not befit us and means nothing for practical politics. I do not reject the philosophy of history, but we shall be able to afford the luxury of indulging in historical retrospection only when we have created normal politics with all the sanctions for infringing upon it. I agree with the Civic Movement [OH] that national aspirations are legitimate; however, that still does not say anything about how they influence the birth of the fundamental political will of Slovakia. Slovak politicians have the duty to come to terms with these aspirations and proceed within the framework of their mandates. If it is in Slovakia's interest to have independence, they should have said it before the elections, they should be saying it now, and act according to

what kind of mandate they receive in the elections. Otherwise the politicians are entirely out of the citizens' control.

[LIDOVE NOVINY] Jan Carnogursky insists that loosening the ties between the two republics will reduce the points of friction and thus stabilize the Central European area....

[Kalvoda] That is a vastly naive illusion which has no substantiation. I could find other examples where a single point of contact between two entities leads to disaster and in contrast thousands of ties contribute to equilibrium. In fact, some other notions of the Christian Democratic Movement [KDH] about the state and its role, about the status of the state in Europe, are equally naive. KDH sees a Europe where in a few months or years there will be an independent Catalonia and Scotland, Belgium will split, and so on. It sees Europe as a battleground of nations. At the same time it is ignoring contrary signals from the Brussels headquarters of the European Community. What is happening in Europe is something entirely different from what the gentlemen from KDH are thinking. This naivete is sometimes totally boundless.

[LIDOVE NOVINY] Is the attitude of Czech politics to the federation without problems? Recently a deputy in the CNR referred to the federation as "Uncle Sam...."

[Kalvoda] At the beginning of 1990, Czech politics, in a somewhat idyllic accord with the Slovak politics, demanded a greater share in decision making. Gradually, it came under Meciar's thumb. Now we are somewhere else entirely. You will find out what Czech politics is in the sum total of the common principles which appeared in the election statements of Czech parliamentary parties two years ago. Its substance is political plurality, rights and freedoms of the citizen, and economic transformation. Even if the left gains greater influence after this year's elections, I still remain an optimist—nothing will change in that formulation.

[LIDOVE NOVINY] Some recent political statements that were made here in connection with the activities in Ruthenia could be understood as a revival of Pan-Slavic ideas....

[Kalvoda] Pan-Slavism is romantic and naive as well. It cannot function as a basis of realistic politics, unless of course I consider as Pan-Slavic some extreme Ukrainian statements which lay claims even against Czechoslovakia. By the way, it is interesting that the Ukrainian Government asked for the establishment of their consulate in Presov, not in Bratislava. I don't know if it escaped the attention of Slovak politicians, and I don't know if they also missed Antall's statement that Hungary will respect all constitutional steps within Czechoslovakia, which I understand as meaning that it will not respect unconstitutional steps.

[LIDOVE NOVINY] What is the position of the rightist parties before the elections? Isn't it a sign of weakness to

insist (Minister Jezek) that we must speed up privatization because the left could put a stop to it after the elections?

[Kalvoda] I don't think that the right lacks self-confidence, and in no way do I think that it will lose the elections. Of course, I expect that the left will profit from the social impact of the economic transformation. On the other hand it is true that the right generally makes some mistakes which help strengthen the left. At its recent conference the Civic Democratic Alliance [ODA] took up this issue and decided that it will not take the approach of making corrections in the economic reform, which is a guise for challenging it, but the approach of "filling in the gaps." Social policy must not become a bogey for the right; after all, its creation, including a network of appropriate institutions, is a long-term project.

[LIDOVE NOVINY] At the ODA conference you said that your deputies' club in the CNR will double in the very near future....

[Kalvoda] I gave this information to the conference in a closed session. I was somewhat surprised that it appeared in the media the very same day. Decisions in some instances should be made during this week.

[LIDOVE NOVINY] Were the decisions of some deputies contingent on the fact that you will become ODA chairman?

[Kalvoda] Such thoughts were expressed during the discussions, but joining was definitely not contingent on them.

[LIDOVE NOVINY] What is the actual difference between ODS and ODA?

[Kalvoda] We made a kind of nonaggression pact with ODA, and to tell you the truth, this fact restricts me to some extent. Compare the slogans of our election programs—"Road to Prosperity" (ODA) and "Road to Freedom" (ODS). That alone indicates that ODA has a more comprehensive conception of the transformation of society—not merely an economic one. The difference between our parties is also evident in their approach to practical politics. Establishing a normal political scene with all its rules is of the same importance to us as is the timely implementation of the economic reform.

General Vacek on Army, Its Present Role, Future
92CH0349A Bratislava SLOBODNY PIATOK in Slovak
14 Feb 92 p 3

[Interview with General Miroslav Vacek, former minister of defense, by Vlado Bibel; place and date not given: "Limits of Sovereignty"—first paragraph is SLOBODNY PIATOK introduction]

[Text] In November 1989 General Miroslav Vacek held the second highest position in the then Czechoslovak People's Army. There is no doubt that he had to leave this position in October 1990 because of his communist past and openly leftist thinking. But President Havel's

recall order did not take anything away from his professional authority. The retired army general retained it, just as he did his ability to communicate with the public. He made that clear also in his recently published book *Preco by som mal mlcet... [Why Should I Keep Silent...]*, excerpts from which we published in SLOBODNY PIATOK No. 1/92. You will certainly be interested also in his other views on questions that are within the realm of his military expertise.

[Bibel] General, in your book you write about how President Vaclav Havel refused to give you official guarantees for your mission to save our citizens—hostages held in Iraq. You suggest that the president, who asked you to go to Iraq, as well as Minister of Foreign Affairs Jeri Dienstbier were afraid that if as the official representatives of this state they identified themselves with that mission, it would cause the United States displeasure. Now we come up against the question to which we in the CSFR are exceptionally sensitive: In the past we were dependent on one superpower and now we should be dependent on another? In your opinion it is obviously not important whether it is a superpower that has a pluralistic democratic system or a regime where one party governs, it is ever the same thing....

[Vacek] I believe that in the present as well as in the recent past there have been very few states, if they existed at all, which could say or affirm that they are totally independent of the policies of the larger ones. I admitted in my book, and I say it today as well, that dependence of Czecho-Slovakia on the Soviet Union during the past years naturally existed, and that in the military area it was considerable.

When you refer to the case of the guarantees for my goodwill mission to Iraq, I cannot say anything else than what I wrote in my book: That there were certain limits beyond which officials such as President Havel and Minister of Foreign Affairs Dienstbier could not go. Simply, it is the custom around the world that some such instances are tolerated, but it must not be too official. And if somebody wants to insist that Czecho-Slovakia can freely decide on all matters which go considerably beyond Czecho-Slovakia's framework, then he lives in an illusion.

[Bibel] Today some deputies in the parliament insist that these limits on our policies imposed from outside is something altogether different than it was in the past, because we come up against the interests of a democratic superpower, in contrast to the past when we were limited by the interests of a superpower governed by one party. What do you say to that?

[Vacek] I think that we should accord those people the right to think that way, but on the other hand repeat that although it is new qualitatively, nevertheless it still amounts to dependence.

[Bibel] In your book you mention another case from the war in the Persian Gulf, when the planes of the anti-Iraq coalition were flying over our territory and Minister of Defense Lubos Dobrovsky and Minister of Foreign

Affairs Dienstbier only learned about it after the nine-hundredth overflight. In view of the CSFR participation in the anti-Iraq coalition, it can be assumed that the ministers were not opposed to this air bridge. But the question remains, to what extent do the Czech-Slovak military-political agencies again find themselves in a subordinate position like the one they had in the past....

[Vacek] It has been a long time since December 1990 when these events which I mention in my book took place, and it is hard to say to what extent it was the ignorance of the two ministers or forgetfulness, or to what extent the sovereignty of the United States made it unnecessary to have the consent of the two ministers and somebody else gave the consent. I do not consider it essential, because in the end the overflights were made legal anyway.

[Bibek] Was this perhaps some kind of nasty trick played on the ministers by the apparat?

[Vacek] I don't know, as far as I know there were no such tendencies—at least not in the Ministry of Defense.

[Bibek] And what about the question whether our military-political agencies are again finding themselves in a subordinate position?

[Vacek] Look, in an armed coalition someone always calls the shots. And it is a fact that as a rule it is the superpowers. But even in military coalitions things can be done more democratically, and the result usually is the same. In the Warsaw Pact things were not quite right in that respect. That can be gleaned from its basically 35-year-old history. What has been happening in the last two years is a reflection of the fact that the relationships of the Czech-Slovak defense policy are still in the process of being formed, and it is still too soon to judge them. There are some positive indications showing an effort to preserve a sovereignty that is—for a Central European country like Czech-Slovakia—possible, but on the other hand we can point out certain phenomena which could lead Czech-Slovakia to relax many of its views on sovereignty.

[Bibek] For instance?

[Vacek] I believe that it would be in our interest to send some of our military specialists for short periods of training in the Soviet Union, or as it is today, the Commonwealth of Independent States. For example, training in air defense. This technology is so expensive that for a long time, for some years after the year 2000 at the very least, the Czech-Slovak army will not have the means to re-equip itself with the new technology. And will be totally dependent on Soviet technology. I would therefore consider it an entirely normal move by a sovereign state to weigh some of its possibilities, the advantages and disadvantages of short training periods for specialists. These were unequivocally discontinued in the Soviet Union.

I believe that there is a less critical view of what is newly developing for example in the relations with the United

States, and the Czech-Slovak Army command is in a stage when it worshipfully and reverently bows before anything in the U.S. Army.

The war in the Persian Gulf is cited as a shining example. I think, for instance, that if we leave aside the political aspect of this war, and look only at its military side, the view of it is distorted. By saying this I do not wish to deny the existence of an enormously advanced military technology, which was put into action mostly by the United States. But to say that based on the results of this war the T-72 tank, for example, proved totally unsatisfactory, is not right. Much information coming from Iraq indicated that this technology did not fail in action but was abandoned by Iraqi soldiers. The view of military experts should be more objective.

By saying that, I do not wish to insist that everything in the new relationships is bad. We can even find much that is positive, that could be really helpful to our army.

[Bibek] In connection with the question of sovereignty—doesn't it seem to you that among the Czechs and Slovaks there is emerging a certain idealism, with some people thinking that the security of our state can be achieved without closer relations with the security structures remaining in Europe, which again brings certain limitations of state sovereignty?

[Vacek] I do not know if it is correct to say that the Czechs and Slovaks are idealists on these security issues. I would rather say that a certain inertia is at work here.

The history of our republic since 1918 certainly has not been easy. Our experience with allies led to the Munich agreement, and we know what the consequences for Czechoslovakia were. Later came the era of the Warsaw Pact, which, to be objective, contributed to creating the sense that we must always be subordinate to somebody.

It would be unjust to assert about our present political representatives that all their efforts in behalf of European security are bad. Our incorporation into the structure of European security is not yet fully formed. Not because Czech-Slovakia does not know what it wants, but because even the key powers are also searching for their identity. It is no secret that the North Atlantic Alliance has been transformed, because the danger of a world conflict has been radically changed. I believe that NATO deserves considerable credit in this respect. Let us say that NATO can give security guarantees to three Central European countries, including Czech-Slovakia, for this current transitional period. But what guarantees can the Commonwealth of Independent States expect, which is also entitled to them, to that question I do not yet have an answer.

At this time, the new security structures are coming into being only through the painstaking labor of European politicians, and Czech-Slovakia's effort can also be looked at only in conjunction with all this complicated situation in Europe.

[Bibek] How do you compare the combat readiness of the Czech-Slovak Army with that of the former Czechoslovak People's Army?

[Vacek] Before my retirement, without any particular desire to do so, I granted an interview to some news media. With good intentions, I tried to point out certain things which professional soldiers will generally recognize in our army.

In spite of all the positive things that were done in our army—and I do not want to take all the credit nor do I want to take credit away from the current command and Minister Lubos Dobrovsky—there are matters that could be cause for concern. I spoke about them quite openly in the sector where I worked last—for strategic command and creating a new concept of the Czechoslovak Army. If Dobrovsky did not get this information, that is not my fault. However, he had officials who knew my views.

I expressed the opinion that our army, through some irresponsible acts by some deputies, was basically stripped of its combat readiness. Dobrovsky's reaction to this was somewhat excessive; he took it as a threat and a smear on the army, and even some higher places allegedly considered it contemptible on my part. I have different views on some issues concerning combat readiness than are usually seen or heard in our news media.

Let's look, for example, at how many units will undergo field training. Let the minister look at data from about three or four years ago. Let somebody look at the strengths of the most combat-ready units of the Czechoslovak Army, which sometimes stands at only one-third. We do not want to blame the commanders, who mostly also served three to five years ago; that is not a malicious intent on their part. Simply, with the adoption of the law on reserve military service and the amendment of the law on defense, as well as with the limited possibilities for carrying out training, it was made impossible for them to fulfill their training goals.

Moreover, every army's combat readiness depends on what it has in the way of weapons, as well as by how up-to-date the training of the reserves is. And now imagine that a soldier in basic service, through no fault of his own or of the commanders, leaves ill-trained, because the conditions that exist in the army do not allow it to provide full training.

Now, if you add to that the misgivings of the military officials about calling up—I mean to a reasonable degree—the reserves, it means that an ill-trained soldier does not improve his skills in military training once he leaves basic service. Most of the men in the population accept the fact that they are called less often for training exercises than in the past.

I want to maintain a realistic view, I realize that today the situation is different from what it was several years ago, when two armed coalitions faced each other. And since there is a new situation today, we must evaluate what is feasible and what is not. We do not need the

army so urgently today. But I repeat, a situation may arise when the army will be needed again. Probably even Dobrovsky agrees with me on that. And I repeat that nobody can make up in one or two years what has been neglected, if we do not use good judgement in considering all the questions regarding the training of the troops. After I said these things, Dobrovsky accused me of deception. If it will help our army, let Mr. Dobrovsky invite me and we can discuss these issues in front of the public. I think that there should be a different way of resolving these matters, and at the same time I do not think that it will help if Dobrovsky thinks that nothing bad is going on in the army.

[Bibek] Some political forces in Slovakia are pushing the idea of creating a National Guard. What do you think about that?

[Vacek] I confess to thinking that as long as it is only a unilateral Slovak effort, they should, above all in Slovakia, judge whether it is unavoidable. If our federation remains in its present form and with those changes which Slovaks are asking for, and where Czechs admit that some things should be changed, and while at the same time they all agree that common defense should stay that way, then I think that the demand for a National Guard should be carefully weighed.

Whether we intend it or not, given a unilateral call for a National Guard only in Slovakia—I have not encountered this in Bohemia—it amounts to an expression of distrust of one's partner. In my book as well as on other occasions I expressed great respect for the Slovak nation. Not in order to gain cheap popularity. I felt better as a soldier in Slovakia, because the army was held in more respect there. I think it would sound like pharisaism if I talked about how much I like the Slovaks, but I really do like them. And it is important to me to spend the rest of my life with the Slovaks in a common state.

The effort to create a National Guard is really an issue that could be the beginning of something that, as I believe, most people in Slovakia do not want.

[Bibek] What is your current relationship to the Communist Party of Bohemia and Moravia?

[Vacek] The amendment of the defense law put an end to my membership in the Communist Party. I have honorably observed all the principles which as a consequence became incumbent on me, as a general of the army, to observe. Also, I have been retired for just a month and a half and so far I did not have the time—maybe this sounds pretentious—to analyze everything.

Some people even considered it a threat when I said that if I become active in politics it will be on the left wing of the political spectrum. I do not wish to answer in kind. I sympathize with some political statements of the Democratic Labor Party and the Agrarian Party, but thus far I have not found a leftist party that would fully conform to my ideas about how politics should look at this time.

I do not wish to intimate by this that I want to establish my own political party. I still must decide whether I shall join one of the political parties at this time.

[Bibl] Do you intend to be a candidate in the parliamentary elections?

[Vasak] First of all, I don't know if somebody is yearning for me to be a candidate. I have the advantage of not hankering after the 13,000 korunas salary of a deputy. At present I rather think that I can assist in the pre-election campaign as well as in politics by helping, as a man independent of political parties, where it is in accord with my ideas, while at the same time I would not be seeking a mandate.

[Bibl] Please decipher—what do you mean by "in accord with my ideas?"

[Vacek] I am willing to sit down at a table, and it does not have to be a round table at all, with anyone who does not shout and is able to listen to my views. I grant that some may not necessarily agree with them. Well, they will be my own views, copied from nobody, and supported by modest life experiences and a 40-year old service in the army. I am not a political scientist, I have a relatively narrow focus. I admit that I am in a certain way influenced by my long service in the military, so that in no way do I lay claim to being the wisest man in this republic.

[Bibl] Thank you for the interview.

Benda Sees Democracy, Privatization as Priorities

92CH0333A *Prague LIDOVE NOVINY* in Czech
4 Feb 92 p 9

[Interview with Vaclav Benda, chairman of the Christian Democratic Party, by Jan Vavra; place and date not given: "Dividing Line Does Not Run Between the Left and the Right"]

[Text] [Vavra] What is the state of our society before the approaching elections?

[Benda] We are in a period of renewal, not only of the state but of society itself. During the past decades society was devastated and atomized, so in no way is the present situation normal. We are in a period of transition; the outcome can still be in jeopardy. The three most serious social problems that face us are the following:

First is the creation of a democratic, legal state and all the structures essential to the functioning of such a state. These may be political parties connected with the political differentiation of society on one hand, or appropriate laws and the legal base of the state on the other.

The second problem is economic reform, that is, a vast privatization of the economy and transition to the structures of a free market. The third problem that dangerously complicates the solution, is nationalism. It is a problem of searching for the kind of coexistence that would enable everyone to feel as citizens, that is, to feel at home.

Isolated steps in any of these problems are unthinkable; on the other hand, any progress in solving one of these problems influences positively the other two.

[Vavra] Could the result of the elections reverse the process of economic transformation?

[Benda] A return to a Jakes-style pseudototalitarianism is impossible and nobody is striving for anything like that. But possible and thinkable is a restoration. Even a mere stoppage would mean a return to some form of totalitarian or authoritarian regime. We have simply set out on a path along the edge of a precipice, to which our society was brought not by a democratic process but by the past 40 years, and to stop would mean an inevitable fall.

[Vavra] Do you think then that we are not yet at a stage where democracy is sufficiently established?

[Benda] Democracy cannot be established until the society itself is molded by a natural process. While the atomization persists from the past, in which there existed no higher social structures other than the family that were not under strict control of the totalitarian power, society cannot behave as politically mature, differentiated, and conscious of what it wants. On the other hand, those who make politics have only words at their disposal. The period when they were able to put their promises into practice was very brief. In a functioning society a party or a person are judged by their deeds, not by their words. In our emerging democracy choosing among personalities and parties is therefore very chaotic. That state of affairs contributes to an abnormal politicization of society. In a normal state 99 percent of people are concerned with politics only once in four or five years, while elections are being held. A proper state can be recognized by the fact that a citizen does not have to be concerned with politics every day, and politics does not have an adverse impact on him. We have a long way to go before we reach those conditions....

[Vavra] A concomitant phenomenon of the crystallization of the political spectrum is an excessive ideologizing of all problems. How much threat can that pose to the progress of society toward democracy?

[Benda] I believe that society does not need ideology, I even think that every ideology leads to a bad end. Nevertheless, it does not mean that society does not need ideals, and that without a certain amount of ability to work toward their fulfillment it becomes a hollow society, ultimately descending into a crisis. In some periods (particularly the sixties) of hollow liberalism in the Western world we can see where mere freedom leads to without the proper measure of responsibility and without a measure of hierarchy of values to guide man within that freedom.

Of course, if what you had in mind was polarization of society into a left and a right, that is false ideologization. In this country the concepts of right and left are used in an entirely different sense than in democratic countries. Under normal conditions I see the absolute necessity of

a democratic left, because only in the plurality of the left, right, and center, in their mutual competing and correcting can a democratic society develop. But I am afraid, of course, that today the dividing line does not run between the left and the right, but between the forces of democracy and the forces of restoration. If a kind of duality is arising here, then it is a duality of the forces which want to bring about a democratic and legal state and a free economy, and forces which want to either reverse this process or at least bring it to a halt.

[Vavra] Speaking about liberalism, which you mentioned, do you see a certain "hollowness" here as well?

[Benda] A much greater danger for us are all those forms of messianism, particularly in the guise of the so-called third ways. I am afraid that these third ways do not lead anywhere, and that they are again only the disguised forms of restoration. I believe that although we can offer the world a certain message and experience, it must be accompanied by a proper dose of humility. In the political sense, we must go back to representative democracy, that least of all attainable evils, as proven by the centuries. In the economic sense, to a market economy without any adjectives. When we have built these structures, and when we have certain guarantees of normality, then we shall be able to think about lessons from the past and ponder how to improve things.

[Vavra] Here we are touching on the responsibility of politicians. Vaclav Havel saw the solution in the so-called nonpolitical politics. Turning away from the present political structures and going back to the natural world, free of the Machiavellian concept of politics, will lead to greater responsibility....

[Benda] Vaclav Havel's program of nonpolitical politics was prudent for the time of dissent, because the totalitarian regime was ready to liquidate with all the means at its disposal any other form of political expression. Nonpolitical politics made it possible to behave in a civic manner and break down the barriers that the totalitarian regime put up around us. But the slogan about nonpolitical politics, brought over into this period when we are building political structures, is, to my mind, unfortunate. I don't even believe that it is the president who is thinking seriously about practicing nonpolitical politics, although some of the things which he is doing and saying are not entirely in the spirit of a parliamentary democracy. Rather, it is his not very brilliant followers who do not realize that what was the height of civic responsibility during the time of dissent is today extremely irresponsible. It is a sign of an unwillingness to assume in the present situation one's own share of responsibility in forming the state.

Meciar Says Coexistence Needs New Framework
92CH0330A Prague SVOBODNE SLOVO in Czech
4 Feb 92 pp 1, 3

[Interview with Vladimir Meciar, chairman of Movement for a Democratic Slovakia, by Josef Zalesak; place and date not given: "There Is No Getting Off the Tiger"]

[Text] The answer to the question—what kind of man is Vladimir Meciar, chairman of the Movement For a Democratic Slovakia [HZDS], less than a year after being removed from the position of Slovak prime minister—is simple: He is the same man as before. He holds the same views, which he now formulates somewhat less dynamically. But for his enemies that is obviously not much of a consolation. As is obvious even from the interview which he granted us, he continues to pursue his goals without let or hindrance.

[Zalesak] Mr. Chairman, what do you have to say about all those downright conspiratorial acts which are being imputed to you over and over again?

[Meciar] First they made me out to be an agent of State Security and the KGB, then a cryptocommunist, a man who does not fight fascism and anti-Semitism enough, an extended arm of the Soviet generals, and most recently I am, according to MLADA FRONTA DNES, a diversionist. These assertions have always had and still have political goals. They started during the negotiations in Trencianske Teplice, they escalated when I was recalled from the position of Slovak prime minister, and they still continue now, when fear of Meciar and the HZDS is again being planted in the mind of the public.

[Zalesak] What do you see as the roots of such a deep, and I would say entrenched, hatred toward you?

[Meciar] Leaving aside my Bratislava "friends" at home, certain circles in Prague obviously consider me to be one of the most dangerous men to their interest in Slovakia. It began in Trencianske Teplice where I expected to find partners equally willing to courageously express and defend Czech politics, and expected that these exchanges of views would lead to a result acceptable to both sides. The point was not confrontation, but on my part argumentation, which was often harsh and difficult and which the partners could not always accept or counter with opposing views. They were therefore relieved when I ceased to be prime minister. I left the post of prime minister, but what did they solve with those others whom they chose themselves? Of course, my contention that in the federal agencies there is no one holding such a position that I would have to justify myself to him or explain that I am different, does not gain me sympathy.

[Zalesak] How are you affected psychologically by your current position where you are continually under pressure?

[Meciar] I have no inner feeling that I am in jeopardy. I take my profession with all that is inherent in it, that means, including the risks that flow from it. There is a certain limit beyond which you stop being concerned about danger and it becomes irrelevant to you. You simply have no other option, you are riding a tiger and cannot get off.

[Zalesak] Recently you made a somewhat surprising statement that you are not in favor of ending the common state. How are we to understand that?

[Meciar] The majority of Slovaks do not reject coexistence with Czechs and Moravians, which is also my stance. But the point is to find a new form of coexistence based on equality, benefit, self-determination. That is the way every state comes into being. I am convinced that democratically-minded Czechs place the principle of reciprocity of our nations above the principle of protecting federal bureaucrats. Realistic politicians understand that the expression of statehood need not lead to separation, to isolationism, that there are common interests which we can name, differentiate, and preserve.

[Zalesak] How do you understand—if I may put it that way—the vitality of the Slovak emancipation process?

[Meciar] This process is historically irreversible and it cannot be brought to a close by a “treaty” that would put Slovakia at an even lower level of a semiautonomous and semisovereign entity. Our policy is to arrive at a solution by agreement, calmly, without any great material losses and human tragedies. Therefore we shall discuss, search for other ways, and we would be very sorry if some would consider a concept other than their own a disaster, would take a unilateral step, or tried to reverse the situation in Slovakia by having the army or security forces intervene. It would only stifle the process, after which there would follow an all the more fierce explosion that would carry the risk of a possible counterreaction.

[Zalesak] What makes you so skeptical?

[Meciar] Among other things, also my experiences from the period before the recent parliamentary elections. We cannot rule out that the same circles and agencies, which set off the Bartoncik affair, will not engage in other campaigns to discredit other people. We would hate to see if, because of fear of what the election results may be, there were an attempt to put a stop to our movement, or if some of the steps with which we are being threatened were to be taken. I am thinking about certain representatives being arrested for their so-called extremist Slovak attitudes. That would cause a conflict, of course. Therefore we believe in civility, political respect, and willingness to come to an agreement on the part of those people who today still have power, but know that come the elections their role will be over.

[Zalesak] I shall go back to the beginning of our interview, and ask you to tell me in detail—why did they call you a diversionist?

[Meciar] There is a systematic disinformation campaign being waged by certain well-known forces in Prague against Slovakia. They have been laboriously creating an

image of the Slovaks as fascizoid, anti-Semitic elements, etc. This campaign, it seems, has reached its peak and it can be said with certainty that it has failed. It is usually not possible to deceive the international public for very long. The circumstance, that Slovakia is intensively developing its own contacts with foreign countries in order to make its own presentation and give an objective picture of itself, is also causing irritation in Prague. My every trip is followed with malicious suspiciousness and testiness, and is then presented in this light in some Czech periodicals. I earned the designation of diversionist because I was supposed to have said in Germany that Czechoslovakia in its present form will not survive this year. Slovakia has many influential foreign friends who wish it well, and we do not see any reason why we should not keep on developing international contacts.

Security Service Abolishes Press Spokesman Post

AU2802152792 Bratislava *PRAVDA in Slovak*
27 Feb 92 p 2

[CSTK report: “Silence Is Golden”]

[Text] Prague—The Federal Security and Information Service [FBIS] has abolished the post of press spokesman. This information was provided by FBIS Director Stefan Bacinsky. He also said that contact with the mass media will be ensured through the director of the service, or his deputies, as the case may be.

An FBIS official who picked up the phone in the secretariat of FBIS Director Bacinsky and who refused to give his name, reacted by saying “no” to a CSTK reporter when the latter wanted to speak with Director Bacinsky. “I am afraid I will not be able to meet your request, since the job of press spokesman has been abolished in our service. That is all.” According to what the unidentified FBIS official said, most of the information on the service is classified, that is, it cannot be published anyway.

“There is no reason why the job of FBIS press spokesman should exist,” the FBIS director said in an interview granted CSTK later yesterday. He said that the law states to whom FBIS information should be given: constitutional officials and state organs. He confirmed that he, or his deputies, will answer questions from the mass media. They will decide whether to answer a particular question or not. “This will depend on the nature of individual questions,” he added.

Bacinsky rules out the possibility of members of the Anti-Communist Alliance (AA) being shadowed by FBIS employees, as one of the AA members, Martin Holata, said in an interview with CSTK.

Anti-MDF Mood Dominates Smallholders Meeting

92CH0303A Budapest HETI VILAGGAZDASAG
in Hungarian 18 Jan 92 pp 74-75

[Article by Bela Weyer: "Smallholders' Ultimatum; Seesawing Spiel"—first paragraph is HETI VILAGGAZDASAG introduction]

[Text] The casting is undergoing change: At the Smallholders National Convention last weekend, the Communists were not the only universal scapegoat; the MDF [Hungarian Democratic Forum] and Prime Minister Jozsef Antall personally were raked over the coals at least as often as the Communists. Although, to judge by their statements, the leaders of neither the MDF nor the KDNP [Christian Democratic People's Party] have been frightened by the prospects of the coalition's breakup held out for the end of February, it might serve as a warning to them that Jozsef Torgyan now wields absolute power within his own party.

Also at the Smallholders National Convention on 11 January, "the reform-Communists who were attempting to preserve their power," "have been sabotaging the change of political systems," and are cooperating continually "in looting the country" were cast repeatedly as public enemies. But the reporter who was present could have counted at least as many angry remarks aimed at "big brother" in the coalition. "They tricked and disgraced us" was how several delegates summed up their assessment of the results of the coalition pact concluded with the MDF. And Jozsef Torgyan, the party's president, said: "We peasants who allegedly have only six grades of formal education were able to keep our word, whereas the MDF's first act was to stab us in the back." Expressing his opinion of the pact between the MDF and the SZDSZ [Alliance of Free Democrats] in this manner, the leader of the Smallholders cited formal education because, as he put it, the party's members may have only six to eight years of formal education, but at the site of their present convention—the Smallholders were meeting at the TF [College of Physical Education]—everyone was able to watch a few weeks earlier the spectacle of "brainy individuals from other parties practically gouging each other's eyes out." He was referring to the memorable Peto-Konya debate that had taken place there.

The opponents from other parties had already questioned in advance the Smallholders National Convention and the selection of delegates to it; and even afterwards KDNP President Laszlo Surjan continued to speak of the convention in the conditional mood, with the reservation "if it was legal." Of the 535 delegates elected, nevertheless, the 495 Smallholders who showed up for the convention at the TF last Saturday noon undeniably were a political force. Of course, their 20- to 25-year-old suits taken out of mothballs ("cooperative-store merchandise") and their views of the same fashion may have been repugnant, frivolous, despicable or even dangerous, but it would be a mistake to ignore them.

If for no other reason, because—as also the course of the convention clearly demonstrated—control of that political force is in the hands of a single individual, namely Jozsef Torgyan. At the beginning of his speech Torgyan was still directing the convention's mood toward the point where it came close to voting by acclaim an immediate break with the coalition partner. But later he reined in the convention, asked for moderation, and referred to his talks with Alois Mock, Austria's deputy chancellor ("the European countries would regard it as an enormous mistake if we were to leave the coalition"). The debate was still in full swing when Torgyan tipped reporters off in the press room—incidentally, the convention had been billed initially as a closed-door meeting, but reporters were able to move about freely in the hall throughout the entire proceedings—that he expected version A to be adopted; in other words, a conditional threat of the coalition's breakup, with room left for negotiations. And by golly, that was the version the convention actually adopted. But then Torgyan had announced in advance that he would be voting for that version.

Torgyan orchestrated with the same firm hand also the convention's confirmation of the expulsion of the five most unruly party members—Miklos Omolnar, Istvan Prepelczay, Sandor Olah, Zsolt Rajkai, and Geza Zsiros—and the adoption of the party's new bylaws. His admonition to the delegates at the start of the convention, to deliberate "with the dignity of Smallholders," seems to have been heeded, and there were only a few angry interruptions. Of course, there was also demagoguery. The delegate from Szabolcs-Szatmar-Bereg County asked: "Is the good-for-nothing scoundrel who dreamt up that tax also paying it this way?" And Deputy Miklos Borz warned the country to beware of "an established masonic-atheistic political order." Practically the only truly dissonant tone was injected by Ferenc Morvai, the boilermaker and Petofi imitator. He spoke out in defense of Gyorgy Suranyi, the former president of the central bank, but in a way that was damning: "I am not saying that Jews should be in power, but we need them in finance." To tell the truth, the speech he delivered as an invited guest did not go down very well. And the fact that Morvai's holster kept showing from beneath his jacket provoked outright hostility, even though he pledged the Smallholders the entrepreneurs' vote and financial support.

From the viewpoint of the balance of power in parliament, however, the ultimatum to the coalition, adopted in the end by a two-thirds vote, is meaningless because the deputies' seats are not tied to their parties. Torgyan could even expel every one of the "thirty-three," recall every Smallholder minister and state secretary, but that alone would not change anything in "big politics," in parliament. Evidently, knowledge of this is what fuels the self-confidence of party presidents Antall and Surjan. But the question now is how long can even Torgyan himself control the Smallholders Party's seesawing spiel, the "rural Smallholders" who have been stirred up to vote for withdrawing from the coalition?

Antall Adviser, EC Official on Economic Policy
92CH0341E Budapest *FIGYELO* in Hungarian
23 Jan 92 p 5

[Interview with Gyorgy O'svath, Antall adviser and EC official, by Gyorgy Varga; place and date not given: "Is the Magic Square Going To Return?"—first paragraph is *FIGYELO* introduction]

[Text] The government's economic efforts in 1991, and up to the point of submitting the 1992 budget to parliament, has been characterized by a periodic inability to decide, by compromises which reflected the prevailing conditions of power and by publicly noticeable discord. Many regard this situation as a division in government regarding the respective roles to be played by the marketplace and the state. Gyorgy Varga asked "his gray eminence," one of the closest advisers to Prime Minister Jozsef Antall, about this situation.

[O'svath] There is no advance script for an economic system change. There are no historical examples or models, there are no straps to hang on to that could help the government. This is characteristic of the entire region. Take a look at the economic difficulties of the five new territories of Germany, for example. Under circumstances like this we have no choice but to take corrective steps while implementing various measures. Nevertheless the government's economic policy is based on a unified concept and there is no greater indecision or discord than what we normally see in democratic governments at all times. The essence of the economic policy concept is the establishment of a system of conditions—primarily legal conditions—for a market economy, and a market economy is based on private property. The establishment of a functional mechanism for market-oriented management is related to this.

Conceptual unity does not rule out disputes regarding issues involving sectors, regions, and economic techniques, such as taxation and the establishment of customs duty preferences, of course. And insofar as the compromises you just mentioned are concerned, these reflect constrained situations which flow from realities, particularly when social tensions increase.

The government has adopted the so-called Kupa program. This program regards the reduction of inflation as the primary task. This priority assigns an eminent role to monetary policy as part of economic policy as a whole.

[Varga] And this has been disputed by some cabinet members.

[O'svath] Let's be specific. According to some, the NGKM [Ministry of International Economic Relations] is the chief critic of monetary policy. But what does this ministry actually want to accomplish? It wants budget authorization for certain investments abroad, for granting credit and guarantees in the framework of international transactions. These outlays and commitments would not be recovered in the same fiscal year, but would increase exports in the long run, and as a result of such increase would create economic growth. I agree

with these proposals, even more so because they are not of a magnitude that they could threaten the enforcement of monetary policies.

I am also in agreement with positions taken by the NGKM according to which the state should not immediately withdraw itself from the economy, because a large part of large enterprises—more than 70 percent of Hungarian industry—is state-owned or publicly owned. The state also plays a significant role in the redistribution of income. For this reason, whether we want it or not, the state is responsible for the future of the economy. At the same time, it is our goal to reduce the economic role of the state as fast and as much as possible, to an extent that it is possible to make such reductions in light of social welfare conditions and certain national interests. We regard the present conditions as a forced situation bequeathed to us by the communist system, and not as an equilibrium. Privatization is one way the state's role can be reduced. Another way is the by now unavoidable state household reform, and decentralization is a third, i.e. the assumption of responsibility for the budget by counties and local governments.

[Varga] I accept everything you have said about the difficulties of changing the model. In light of this, however, it is even less comprehensible why the government fails to concentrate its energy and attention on changing the model. Some Hungarian intellectuals claim—and I will borrow Gyorgy Konrad's words—that politicking has embarked on a dangerous downward slope. Harvard Professor Jeffrey Sachs asserted in a statement to *FIGYELO* (No. 20, 1991), that "in this century Hungary has been unable to catch up with the developed countries of the world because it has been looking backward, not forward in critical times, when fortunes changed." Do you share these views?

[O'svath] I am convinced that no one in Hungary or abroad could question Hungary's orientation toward the future. On 22 May 1990, when Jozsef Antall announced his plan to parliament to establish Hungary as a sovereign state, almost everyone thought that this was an illusion. Democracy, too, appeared as a dream. All this is reality today, democracy is an accomplished fact. Hungary is an independent, sovereign, democratic state, it was first among the countries in the region to become a member of the Council of Europe and to become associated with the EC.

The Hungarian people have a certain stature, certain cultural characteristics derived from political and historical tradition which distinguish them from other European people.

[Varga] What do you have in mind?

[O'svath] I have in mind the fact that the historical past is very much alive in the minds of Hungarians. The Hungarian spirit has also been strongly influenced by reflections upon history and by an awareness of a historical identity. The image of the future held by Hungarian people is also nurtured by this background. Today,

parliament and the government are doing none other than to settle, and through that, to close a very difficult and dark era of our past that has been filled with suffering. It does so in the course of doing justice and as a result of the compensation law, for instance.

It is the responsibility of government to make sure that this reflection upon the past you and others mentioned be consistent with principles which express Christian and national interests, and the interests of the constitutional state. Accordingly, the way I see it, all that is happening these days is not simply looking back at the past. It much rather amounts to closing the books of the past so that the principles of law, justice and fairness prevail.

Insofar as political style is concerned, I recognize that there could be, and have been instances in which mistakes were made and excesses occurred. This is part of practical politics. Mistakes are virtually unavoidable in a developing democracy. Not even the political party structure can be regarded as final as of today, and the trade union movement is also struggling with difficulties. It is often difficult to find leadership personalities in the parties, people who in every respect satisfy the qualities demanded in a democracy, by the principle of social coexistence and the requirement for staid leadership. Max Weber once said that the three most important characteristics of a politician were passion, a sense of responsibility, and an ability to make good judgments. In Hungary there is no problem with the first criterion, thank God.

[Varga] If I were to accept your thesis concerning the characteristics of the Hungarian people, I could not avoid but ask this question: What role could these characteristics have played during the past 200 or 250 years in the country's failed attempts to modernize? I would be rather cautious in reinforcing these characteristics even if the government is forced to respect these factors from the standpoint of power. Let us return to the economy, if you will. According to the government's forecast the economy will have bottomed out in the middle of the year, and recovery will begin toward the end of the year. What will prompt the recovery in your view?

[O'svath] Small- and medium-sized industry, which produces about 40 percent of the GDP even today. Unfortunately, official statistics do not reflect this. I am convinced that the source of stepped up economic growth is to be found primarily in the private sector. But some of the long-established enterprises also have an ability to renew themselves.

Experts estimate that investments will once again decline by between 10 and 12 percent in 1992. This is a pessimistic forecast in my view. Domestic savings and foreign investments have significantly increased in 1991, and this trend continues this year. The international financial world has made available significant resources to the East-Central European countries. Just where these resources flow will be determined by the political and

economic stability of the various countries. Hungary is an attractive target for these investments, insofar as international assessments are concerned.

[Varga] Domestic savings play a crucial role from the standpoint of investments. Such savings, however, are increasingly committed in the form of long-term deposits, while in 1992 we once again were able to witness a situation in which savings financed a state budget that had been designed along the lines of the old structure. Furthermore, one can already hear rumors in entrepreneurial circles that as a result of an obligation to declare one's assets and due to doubts cast over bank secrecy, the private sector will be prompted to salvage its capital abroad.

[O'svath] Budget reform required more time than we thought it would. One thing is certain: 1993 will be the start of a new world also in this respect. The structural reform of the budget has as its purpose the enhancement of economic growth without catalyzing inflationary waves. I am able to reaffirm what I have said before: The revival of the economy will be apparent and tangible toward the end of the year.

[Varga] Aware of the 1991 real processes I would not dare to predict with certainty the beginning of growth. You have declared as early as in August 1990 that "... in the second half of next year the period of adaptation will come to an end and that the economic upswing will be of tangible proportions." (FIGYELO No. 34, 1990). What we have heard just now is a virtual verbatim repetition of the statement we have heard before.

[O'svath] The countries and Central-East Europe are going through an era in which the economic model is being changed. This era is characterized by internal contradictions and tensions. Unpredictable developments, such as the collapse of CEMA, influence the economic situation of the entire region and make economic forecasting—that has its problems anyway—even more difficult. Despite all this, the initial signs of consolidation, moreover, of an upswing can already be sensed in certain sectors of the economy.

According to the OECD [Organization for Economic Cooperation and Development] we may expect a one percent growth of the 1992 GDP, the inflation rate has leveled out and will be about 25 percent this year, the volume of indebtedness is becoming smaller, and our foreign exchange reserves exceed \$3 billion. Shall I continue?

[Varga] The 1992 economic policy program goals include an equilibrium in the balance of payments, the reduction of inflation, a reduction in the growth rate of unemployment and the start of economic growth. Is it possible to accomplish all this simultaneously?

[O'svath] In the system of goals and objectives designated in German economic literature as the "magic square," there indeed prevails a dialectic mutual effect, because the simultaneous realization of goals may cause internal contradictions. We are unable to surrender any

one of the four goals or requirements, the simultaneous realization of the "magic square" is the key to economic uplift.

[Varga] You have virtually repeated the relevant parts of a speech delivered by MSZMP [Hungarian Socialist Workers Party] Economic Policy Secretary Ferenc Havas in 1985 to the party congress. He condemned economists who criticized the so-called four priorities, and by invoking Count Lambsdorf, he tried to prove the reality of the magic square. They subordinated everything to the cause of accelerating growth in the end. We are very well aware of the consequences. Could it be that we will see a return of 1985 in 1992?

[O'svath] By no means could growth be a primary goal. Situations may arise in every country's economic history when one or another requirement enjoys priority within the system of goals. In Hungary I regard the reduction of inflation as such a priority, because this determines the fate of the remaining three factors, and in the final analysis, of economic growth. Incidentally, this is also a requirement from the standpoint of social welfare because one of the negative effects of inflation is the antisocial rearrangement of income.

[Varga] What risks do you envision in 1992?

[O'svath] Above all I am concerned about heightened social tensions resulting from the changing structure. I also see risks in mounting nationalistic flames in certain East European countries and in the partial collapse of their economies. But I do not believe that we need to be concerned about an additional loss of markets. Our chances are far more encouraging than the dangers that might flow from the risks.

MNB Official on Reserves, Money Supply

92CH0341F Budapest FIGYELO in Hungarian
23 Jan 92 p 9

[Interview with Frigyes Harshegyi, Hungarian National Bank vice president, by Katalin Ferber; place and date not given: "Growing Reserves, Restricted Money Supply"—first paragraph is FIGYELO introduction]

[Text] The Hungarian National Bank's [MNB] foreign exchange reserves have been increasing for months. This would have been inconceivable a little more than two years ago; today's reserves exceed \$3.6 billion. How does the central bank manage these reserves? What relationship is there between a high level of reserves and monetary policy related to the domestic money supply? We inquired from the central bank vice president about these matters.

[Ferber] How did the volume of MNB foreign exchange reserves change during previous years?

[Harshegyi] I believe that after a long period of time I am the first vice president in charge of this field to be able to witness increased reserves. As a result of this growth we are able to discuss the fact that Hungary has foreign exchange reserves today. There were virtually no reserves in 1989, when I was put in charge of foreign

exchange. In other words, we had to provide resources to satisfy overdue foreign accounts on a daily basis, we lived from one day to the next. This condition has prevailed from the late 1970's until the end of 1990. The situation has completely changed by now. As of the end of 1991 we had \$3.6 billion in reserves, while the MNB has no short-term indebtedness abroad, moreover, medium term debts payable this year also amount to only \$2.3 billion.

[Ferber] Would you then say that the central bank reserves are sufficient considering the present indebtedness?

[Harshegyi] In Hungary almost all of the country's foreign receivables and payables appear in the MNB's balance sheet in the form of foreign negotiable instruments. Accordingly, from the standpoint of liquidity, the amount of the central bank's receivables is not important; of significance is the amount of indebtedness compared to the amount of accounts receivable. To be even more precise: The due dates related to the indebtedness are most important, i.e., the amount of short-term indebtedness the payment of which is covered by receivables, i.e., by foreign reserves in the form of negotiable instruments. From this standpoint the level of reserves represents a secure situation today.

[Ferber] Last October our reserves amounted to \$3.2 billion while our gross indebtedness amounted to \$20 billion. In the same period the so-called "tripartite" agreement had been reached between the central bank, the commercial banks and the Ministry of Finance. Based on this agreement they pumped out of the economy another sum of money amounting to 40 billion forints. Under such circumstances would not the high level of reserves create an inflationary threat?

[Harshegyi] Three things must be known about inflationary threat. The first thing is that along with a more or less 22-percent nominal increase in the GDP the increase in the money supply must not exceed the same percentage rate. The second thing to be known is that strict control over the money supply, and if necessary, restrictions on the money supply do not necessarily mean restricted credit from the standpoint of the economy as a whole, and under no circumstances to individual units within the economy. Third: The MNB uses this practice to neutralize the inflationary pressure created by the increased reserves. I believe that a very important distinction must be made between selective lending policies and a general tightening of credit. In other words, nonviable enterprises do not receive credit the way they did three years ago. At the same time, the central bank consistently liberalized credit needed to finance imports, and it also provided advances to finance exports. Essentially, both types of credit serve to finance operating capital. And finally, whenever the MNB takes out loans in the international money markets to finance the importation of investment goods, it does none other than what has been described before, and thus it takes over this function from the commercial banks until such future time when the commercial banks are able to perform this

function by themselves. We must perform this function, because as of today, the domestic banks do not operate under conditions that would enable them to independently enter money markets. For example, they do not have audited balance sheets.

[Ferber] In what form does the central bank hold these reserves?

[Harshegyi] Quite naturally, the amount of reserves must be consistent not only with the deadlines for payment obligations, but more or less also with the foreign exchange composition of these payment obligations. For this reason we place these reserves primarily in the form of short-term deposits to our business partners, i.e. the banks. Another form in which reserves are maintained is state bonds, because these are secure, they can be mobilized at any time. In recent years it was not worthwhile to purchase gold in quantities greater than those required by the economy—between six and seven tons—because gold prices have continuously declined in world markets. Finally, with respect to the placement of reserves we must also discuss the question of interest. Some economists claim that the placement of reserves on a daily basis is the best way to handle this matter, others assert that long-term placement is most favorable. It is my view that in the long run, from the standpoint of interest earned, both short-term and long-term placement produce more or less identical results.

[Ferber] Is there an optimum reserve level, and if there is, what would that be?

[Harshegyi] Generally speaking a reserve volume equaling in value the amount payable for five or six months worth of imports is the optimum or secure level. As I have indicated at the beginning of our conversation, this situation already exists in Hungary today.

[Box, p 9]

Foreign Negotiable Reserves in East Europe

A majority of the East European countries has used up its foreign negotiable and precious metal reserves in 1990. With the exception of Poland, the reserve of every Central European central bank has been reduced by one-fifth of its previous volume. The former Soviet Union, for instance, used up 40 percent of its central bank reserves in the course of a single year. Not counting existing gold reserves, Romania and Czechoslovakia each lost \$1 billion, and this amounted to 62 and 49 percent of these countries' total central bank reserves respectively. On top, Czechoslovakia, like Hungary, has also lost much of its gold reserves. The drastic reduction in reserves occurred primarily and jointly as a result of significant import requirements and the debt service. At the same time, Poland, where the convertible currency trade balance has significantly increased in 1990, almost doubled its foreign negotiable and foreign exchange reserves, increasing the amount of reserves to almost \$4.5 billion.

Financial Losses of Agricultural Cooperatives

92CH0335C Budapest NEPSZABADSAG in Hungarian
31 Jan 92 pp 1, 5

[Article by P.Cz.: "Divisible Losses; Agricultural Cooperatives Facing Restructuring"]

[Text] Our more than 1,200 producers cooperatives are expected to close 1991, their last full year of operation in that organizational form, about 5 billion forints in the red.

Using data gathered as of the end of September, and processed at the county level, the Ministry of Agriculture has completed a preliminary projection of the year-end balance of farms maintaining double-entry books. In what is seen as an ominous forecast, it predicts that 41 percent of our agricultural organizations would end the year with a loss, estimating cooperative profits to peak at 3.1 billion forints compared with 5.6 billion forints in anticipated losses. In other words, the sector is expected to show a year-end balance deficit of 2.5 billion forints. On 15 January, ministry officials began collecting a new set of figures, this time requesting that the completed data forms be sent directly to the ministry. This was necessary, they explained, to prevent the findings from being leaked prematurely. So far they have not decided when those findings would be made public.

On the basis of the agricultural trends of the last quarter, however, experts of the National Alliance of Agricultural Cooperative Members and producers (MOSZ) have predicted: it is not inconceivable that our agricultural cooperatives would end the year having to chalk up about 5 billion forints in the deficit column.

They have made this projection on the basis of the data forms prepared for the Ministry of Agriculture by the Gyor-Moson-Sopron and Fejer counties, that have also found their way to MOSZ.

Contributing to this have been delays in the harvest schedules, and the fact that despite contractual commitments many products have not been taken delivery of in accordance with the agreed upon time tables and prices. Nor have the market prices evolved as the producers had hoped. In the fall of 1990, for example, corn was selling at a wholesale price of 8,600 forints, while last year it was barely able to fetch the break-even price of 6,400 forints. In the meantime, the rising costs of production have also contributed to the narrowing of already meager profit margins. Also stifling the cooperatives is the prevailing credit crunch, and because of the uncertainties involved in financing agricultural undertakings, representatives of the sector have come to conclude that—as the banks put it—a significant number of our farms are insolvent. Due to the unavailability of crop loans it is doubtful that these farms will even be able to commence spring preparations. According to some estimates agricultural cooperatives have requested 20 billion forints in credits, but there aren't sufficient funds to meet their needs. The reason why this may be interesting to note is because few places will have the necessary resources to compensate

for the difference between the 812,000 hectares of wheat sown last fall, and the 1.1-1.2 billion hectares planted the year before, not to mention the crops planted in the spring. More and more of our farms are being forced to use up their reserves. All of these developments have had a rather negative impact on the cooperative movement which now is on the threshold of reorganization, for in

the case of half of our cooperative farms the new owners must also state and divide their losses. Alternately, they must write off their losses against their profits. The question is whether there will be enough buyers, and if so what will remain of those 200-300 farms where more than three-quarters of the sector's total losses have accumulated.

Aircraft Industry's Woes, Possibilities Viewed

92EP0195B Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 17 Jan 92 p III

[Article by Antoni Kowalik: "Broken Wings: The Aviation Factories Have Lost Markets and Money"]

[Text] The aircraft industry, which finds itself on the brink of bankruptcy, today has no idea how it should function at least for the next few years; it also has no money with which to introduce a program for overcoming the crisis. Without significant help from the state, this industry has no chance of surviving, especially since it cannot count on foreign capital. Competition governs according to its own laws.

The aircraft industry employs about 30,000 workers in several cooperating enterprises such as the Transportation Equipment Plant State Aircraft Factories in Mielec, in Swidnik, in Okecie, the final assembly plants, and those cooperating with them: the State Aircraft Factories in Rzeszow and in Kalisz (the engine and transmission plants), the Second State Aircraft Factory in Warsaw (supplying aircraft equipment), in Krakow (producing cooling systems), in Krosno (producing frames), in Wroclaw (producing hydraulic systems), and in Gorzyce (producing castings).

This entire production capacity was built for the needs of the former Soviet Union. Currently, after the collapse of that empire and after the breakdown of trade with the states which remain after it, the aircraft industry has lost its only customer for the equipment it produces. The loss is the greater for the individual factories for they have not received payment for the production already shipped. The amounts due are not trivial for they total about \$130 million. (Details of the accounting are based on data from the Ministry of Industry and Trade and are shown in the accompanying table.) In this situation, later shipments were halted in spite of previously signed contracts.

It turned out, however, that the Eastern market is not the only misfortune of the aircraft industry. The same breakdown occurred in the domestic market. The Ministry of National Defense, which was the customer for the military, is also in arrears with its payments. It is also necessary to add the back interest from loans taken for the production of the equipment, which further increases the debt of the enterprises. Worse, there is little chance given the state of the budget that there will be any future shipments of military equipment. So far, there have been only isolated purchases of single items of equipment, which practically has no influence on the financial situation of the enterprises.

The aircraft industry has ended up without any money for further operations and without a market. It can regain these markets on condition that it offers competitive products that are needed by the customers. Thus, restructuring is mandatory.

The three basic questions which must be answered as quickly as possible are as follows. What production

capacity will be needed for the predicted production for different markets, domestic and foreign? How should this industry be organized in the future? What portion of the current production capacity should be abandoned and moved to other, nonaircraft production?

There is no doubt that a portion of this capacity should be used for the needs of our military. At present, according to information from the Ministry of Industry and Trade, this part amounts to about 4 percent and should be about 12 percent. Whether that actually happens will also depend on what this industry produces. Among the equipment currently produced, only the Irida plane can be considered. It is currently being tested. There are also the AN planes, in the troop-landing version and the sea-rescue version, and the Sokol helicopter in several versions. All these projects require money for their completion or for the continuation of research and development work. This money does not exist.

The next problem is regaining the eastern markets. In the opinion of Col. Jerzy Kade, director of the Military Department of the Ministry of Industry and Trade, that is possible and necessary. The states formed after the collapse of the Soviet Union "are soaked" in technology produced by our industry. The equipment of Soviet design is adapted to the local conditions. A rapid shift to western technology will not be possible in the majority of the states of the former republics. They still want to buy the equipment, but the difficulty is that they have no way to pay. The problem is for the traders to figure out how this exchange can develop. These states have many goods and raw materials which could be sold on third markets at a profit. The matter is worth the effort since our industry also needs time to develop product designs that can also be sold in various markets. Shipments to the former Soviet republics would create such an opportunity.

There are two other matters which in the opinion of specialists should be settled as quickly as possible. The first concerns liberalizing trade in aircraft equipment. The various limitations on trade with some countries introduced for various reasons are now contrary to our interests and needs, and they should be removed. Second, a commission on the purchase of this equipment abroad should be formed to confirm such transactions. It would follow the interests of our industry, properly understood, and protect it from competition where such protection is actually needed.

There is increasing discussion of the need for cooperation among the industries supplying the military in Poland, Czechoslovakia, Hungary, and also, for example, in Sweden, which has looser connections with the continent. These industries in the western countries are characterized by increasingly stronger interconnections and so by greater market power. We should do the same thing in our region instead of dividing plants and industries.

All the plans for reanimating the Polish aircraft industry make sense on the condition that the industry receives financial resources for survival and restructuring from outside. The enterprises themselves in their current

financial situation are incapable of financing these needs. In the temporary budget, for example, there is not a single zloty for the aircraft industry. What will happen in the annual budget we will see.

Accounts Receivable of the Aircraft Factories (December 1991, in millions of zlotys)

	USSR	Ministry of Defense
Mielec Factory	400,000	4,400
Rzeszow Factory	146,000	1,600
Swidnik Factory	249,000	30,700
Kalisz Factory	43,100	-
Wroclaw Hydral	47,000	-
Okecie Factory	99,000	12,800
Warsaw Factory	6,500	700
Total	990,600	50,200

Accounts Payable of the Aircraft Factories (December 1991, in millions of zlotys)

	Banks	Budget	Partners	Total
Mielec Factory	480,000	77,900	530,000	1,087,900
Rzeszow Factory	213,000	34,000	63,000	310,000
Swidnik Factory	118,000	75,700	130,000	323,700
Kalisz Factory	79,000	12,000	65,300	156,300
Wroclaw Hydral	76,100	8,900	33,500	118,500
Okecie Factory	77,400	57,000	48,300	182,700
Warsaw Factory	14,000	12,400	16,500	42,900
Total	1,057,500	277,900	886,600	2,222,000

Iliescu Urged Not To Run for Second Term

92BA0506C Bucharest AZI in Romanian 6 Feb 92 p 1

[Article by Tudor Balteanu: "What's Best for the Front"]

[Text] No doubt the paramount problem on the minds of the Front leaders is the strategy apt to lead their party to victory in the general and presidential elections. Except that a victory may be short term or long term and the two may require completely different strategies. It was probably this dissonance that Mr. Petre Roman had in mind when he spoke in abrupt terms about the possibility of sacrificing the next election in exchange for ensuring that the Front stays healthy for the long term.

However, making a normal entrance in the coming elections requires prior clarification of the relationship between the "charismatic leaders." The situation seems to me fairly clear along this line. The kind of "love" that existed in the beginning is no longer possible without falling into ridicule; the Front must separate itself in a civilized manner from the persons who in the past held high positions in the party hierarchy and who serve to feed the accusation of "neocommunism"; I'm not saying it should completely separate from such people if they played a role in the anti-Ceausescu opposition (from this viewpoint, I think that Mr. Birladeanu's moral stature is higher than Mr. Paler's), but must anyway pull them out of representative positions; unfortunately, this is also Mr. Iliescu's situation, too. I say "unfortunately" because, without knowing him personally, I have profound respect for this man, whose face I saw for the first time on 22 December 1989, but about whom I had heard countless impressive things 10 years earlier. Those were things that had to do with the moral stuff of which a person is made, something that is fundamental in politics. On the other hand, the objective fact is that the influential West (from the United States to the French Socialist Party), is systematically undermining us, and one of the pretexts is that we allegedly have a "communist" president. We can shout as fervently as we like, "We won't kowtow to the West"; the fact remains that we do and it is delaying the processes of change in the country. We may well be disgusted by such an idiotic and pharisaic accusation, but the fact remains and it slows down (I won't say blocks) both the Front's takeoff and that of the economy. A pragmatic and logical politician must consider the situation as it is, however aberrant or insulting it may appear to him, and offer a solution in keeping with the general interest; the solution I see is that Mr. Iliescu refrain from running for a second term as president. I think that the move will win both from a personal viewpoint (retirement under the glorious mark of a historic mission and temporary escape from the crossfire of all kinds of excited journalists) and from a general viewpoint (depriving the opposition of a strong article of "accusation"). A victory by avoidance, rather than attack.

I hasten to add my conviction that the entire story of "Iliescu-neocommunist" is a strategy supported from abroad in order to sap or even demolish the influence of

the Front as a party. The "present masters" (who are no longer in Moscow!) wish to see the "opposition," or more precisely, their people come to power; from this viewpoint, Mr. Manolescu could carry out his electoral campaign under the slogan: "A president for... America's peace of mind!" Consequently, the presidential campaign strategy must be decided pragmatically, calmly, and logically at the game table by all the sides involved. It would be a disaster if it became the target of a new public attack of the Ticu Dumitrescu type.

I will take one step further and state: I think that at present the Front's only chance for long-term victory and consolidation is to move into the opposition, that is to say, to "lose." Because the vocal opposition must be allowed in now, when the situation is difficult. Otherwise, the Front will continue to lose credibility because of the stumbling blocks of the transition, while the opposition will come to power after the situation has cleared; then we will be on the downward slope and people will say: "You see, the transition disaster was because of the Front; as soon as we came, it improved as if by a miracle." That would be the coup de grace for the Front, from which I don't think it could recover for many years. Combined with the internal divisive dissensions, it could even lead to the disappearance of this party.

That is why I believe that a long-term victory for the Front is compatible with a relative failure in the short term. If the Front does win the presidency but withdraws temporarily from the government, while having a satisfactory situation in Parliament, it can win more in the long run than by an across-the-board victory like the 20 May one.

After all, what can be easier than to "prove" your "democratic openness" and "anticommunism" when you have nothing else to do but shout these slogans?

Judicial Purges Rumor, Says Justice Minister

92BA0506E Bucharest AZI in Romanian 2 Feb 92 p 3

[Interview with Justice Minister Mircea Ionescu-Quintus by Dan Mihalache; place and date not given: "The Judiciary Between Assessing the Past and Planning the Future"]

[Text] [Mihalache] Mr. Minister, you hold one of the "key positions" in the present transition government. How did the personnel of the ministry receive your arrival as its head? In a recent interview, Mr. Radu Campeanu said that both you and Minister George Danilescu found at those ministries a climate little receptive to change.

[Ionescu-Quintus] If the PNL [National Liberal Party] chairman said so in an interview of which I am not aware, I think he must have referred to the lack of receptivity of the several persons I replaced when I came to the ministry. I have to say, however, that I enjoy very good cooperation with all the managerial staff and that the working atmosphere at the Ministry of Justice is fully collegial, beyond my expectations.

[Mihalache] Your mandate is limited, it is in fact only for the next two-three months; a much needed reform of the judiciary, as you probably have in mind, will require a long time. Do you for that reason feel under psychological pressure?

[Ionescu-Quintus] Of course, I feel under permanent time pressure. We have so many projects for the coming few months, and people expect so many achievements in the judiciary, that every minute seems to be flying.

[Mihalache] In your high-ranking position, are you subject especially to liberal opinions, or are you working solely as a member of the Stolojan cabinet?

[Ionescu-Quintus] I see no incompatibility between the two. On the contrary, it seems to me that the presence of a liberal at the head of the Ministry of Justice ensures genuine independence for the judges and protects them from any suspicion of serving the power.

[Mihalache] Let us go back to the judiciary reform. Along with the other socioeconomic areas, the work of the judiciary must also be based on a new foundation. From a liberal perspective, what are the priorities in this respect?

[Ionescu-Quintus] I presented my concept on the judiciary reform in detail as a deputy when the bill on judiciary organization was debated. First of all, that bill will have to be revised in the light of the Constitution provisions regarding the judicial authority. At the same time, we need some organic laws to establish the role of the Public Ministry, the status of the prosecutors who will work under the control of the minister of justice, and the composition and duties of the Higher Council of Magistrates.

[Mihalache] Currently many rumors are circulating among jurists about so-called "purges" that allegedly began when you took over the Ministry. Is that true, and if yes, what are your thoughts on the measures?

[Ionescu-Quintus] Rumors existed and still exist about such "purges." The rumors were also fueled by sensational reports in some of the press; evidently, they produced confusion and concern among the magistrates. I want to take this opportunity to state that I did not take over this ministry with such thoughts. Purging the judiciary apparatus requires minute and responsible investigations carried out over a long period of time, in order to form a precise and objective picture of the situation of each person and the extent to which he was or was not suited to his position. I have not started such an action, nor do I have it in mind for the duration of my term, nor do I have reasons to doubt the professional qualifications of the present judges.

[Mihalache] The PNL's participation in the government elicited negative reactions from the rest of the opposition. It was said that the only way in which the PNL could "atone for the sin" of joining the government was to begin the "trial of communism." Were your recent measures along that line prompted by that political motivation?

[Ionescu-Quintus] I never thought that my party's joining the government was a sin. I thought that it was our duty to join the efforts to ensure free and correct elections as a chief objective and to correct a desperate economic situation, despite all the risks posed by such a political act, of which we are fully aware. The rest of the opposition could have been expected to understand the profound significance of that move. Consequently, I see no connection between the initiative of a "trial of communism" and our desire to get absolution for sins, be they even only between inverted commas. Such a trial will deal with the sins of others.

[Mihalache] The trial/trials that will be opened raise many problems of a judicial order: Who will be brought to court and by what legislation will they be tried? There is even a risk of judicial improvisations apt to discredit us in the eyes of the world. Are there any plans for a special Nueremberg-type legislation?

[Ionescu-Quintus] I must repeat what I said before: No trial will be opened against communist leaders. The people who will be brought to court will be the authors, accomplices, abettors, or instigators of grave crimes punishable under the penal law in effect at the time, when the crimes were committed.

[Mihalache] Some of the public will view acquittals at such trials as a scandal. Does it mean that the sentences will be preset for those trials?

[Ionescu-Quintus] Sentencing or acquitting the defendants in a criminal trial is the exclusive attribute of the court appointed to try it. The decision will be pronounced in keeping with the provisions of the law, not the opinions of the public. After all, we are a law-governed state! I refuse to believe that trials with preset sentences could still take place in our days. Who is still passing on "recommendations" to the courts?

[Mihalache] Nevertheless, many still refuse to accept the acquittals pronounced in the trial of the Political Executive Committee members or the Timisoara trial and are bringing pressure to bear to have them reopened. As a jurist, what did you think of the manner in which those trials proceeded and continue to proceed?

[Ionescu-Quintus] I don't mean to evade the answer, but I cannot make such assessments for at least two reasons. The first is that the trial falls under the competence of the Supreme Court of Justice, which is not controlled by our ministry. The second is that in my position I am not entitled to express views on a case that is currently in court. Could that not affect the independence of the judges and run the risk of a "preset sentence?"

[Mihalache] P.S. The legal form of the "trial of communism" seems to be unclear at the Ministry of Justice, too. Opening such a trial raises numerous difficulties both from the viewpoint of where to place it in the law (there are statutes of limitation and many amnesty decrees have been issued), and finding proof for actions committed 20-30 years ago. The General Prosecutor's Office does have a working team, coordinated by a deputy

director, in charge of finding solutions to this difficult problem. We will return to those aspects at a later date.

Minister Golu on Education Law, School Problems

92BA0506D Bucharest AZI in Romanian 2 Feb 92 p 3

[Unattributed interview with Mihai Golu, minister of education and science; place and date not given: "Waiting for an Education Law"]

[AZI] When will we have an education law in our country, and what will it feature new compared to the law still in force?

[Golu] The draft bill is at an advanced stage in the government. There has already been a first discussion on it and it has been decided that all the ministries involved in education and in training the labor force should carefully study this draft and make recommendations and observations.... This has already been done, meaning that our ministry has received observations and recommendations on the draft from most of the ministries; most of them have been accepted as necessary and useful, and have been incorporated. Now, in the wake of these observations, the draft bill will be discussed again at the next government meeting, after which we hope that it will be endorsed and sent to Parliament.

[AZI] When do you hope it will come into force?

[Golu] We hope that, if it is passed by the present Parliament in timely fashion, it may already come into force for the next school and university year. If it cannot be passed by the present Parliament and it goes to the next Parliament, then of course the enactment of the education law will be delayed and so will its provisions for the restructuring and reform of education for the coming year.

[AZI] Are any special changes envisaged for preuniversity education?

[Golu] Yes. Structural changes are envisaged, especially in the organization of the network of preuniversity schools, especially postintermediary education. The novelty in this respect is that the duration of compulsory general education will be nine years. Here the discussion was why separate the 10th grade from the current block (from the high school cycle) and revert it to the intermediate level. Speaking for this option were both socioeconomic considerations, regarding the state's capability to keep the mandatory general education free, and psychological and educational considerations regarding the process of crystallization and maturation of the children's mental and intellectual structures and talents, as well as allowing them to form the soundest and most correct professional choices.

[AZI] How will high school and university education be funded?

[Golu] The draft bill envisages free general and compulsory education, which means that it will become necessary to charge fees for high school and university education, which are no longer mandatory. The fees will be established in keeping with, on the one hand, our country's socioeconomic situation at the current and immediately following stages, and thirdly [as published], the economic situation of each and every family, so that under certain income limits no fees will be charged, i.e., free tuition will be granted. Secondly, it envisages that the state will encourage the children and students' access to and desire for advancement and training through a system of scholarships, which will be structured on the one hand along merit criteria, and on the other hand will be correlated with social and material criteria.

[AZI] What can you tell us about private education?

[Golu] The private education system is regulated by the draft bill in the sense that, in keeping with the provisions of the Constitution, this form of education is allowed; secondly, we will provide the conditions and requirements that need to be met for such schools to be opened and to function. The programs and curricula will have to be examined and approved by the Ministry of Education and Science.

[AZI] Coming back to state university education, who will now be in charge of student campuses?

[Golu] There is a special social service for students in the Ministry of Education and Science, but the campuses themselves will be run by the student organizations. The Ministry has budget funds appropriated for that purpose, but campus activities as such will be managed by student organizations.

[AZI] Another urgent question: Who is in charge of student dormitories and canteens?

[Golu] The situation of the student dorms and canteens is particularly serious, and in a way an unacceptable problem. According to the studies we conducted, taking into account the regulations in force, everything can be traced back to insufficient care and responsibility on the part of the administrative bodies of the institutes of higher education, who are in charge of managing those dorms and canteens. Because they neglected or took little care to maintain them and to fix them up during vacations, so that by the beginning of the university year the students can find them in normal condition from all viewpoints, all kinds of perturbations, bottlenecks, and breakdowns occurred during the university year regarding heating, lighting, internal services, etc. Consequently, the Ministry is now discussing with the managements of the institutes of higher education more efficient—perhaps—means of preventing such irregularities and dysfunctions and actually allowing a normal living standard and conditions in dormitories. Among other things, there are proposals to lease out the management of the dorms and canteens, to turn them into a kind of business, so as to ensure greater managerial responsibility for ensuring such internal conditions. On the other

hand, we have already taken up contacts with the municipal services and we must continue to develop such contacts with city hall and the economic ministries on whom the supply of heating and light primarily depend. For that, we must sign protocols with city hall and with

those ministries responsible for maintaining the supplies of fuel (gas or oil) and power at the levels established, which have now created so many hardships.

[AZI] Thank you, Minister.

Serbian Opposition Moves Termed Dangerous

92BA0566B Belgrade NARODNA ARMIJA
in Serbo-Croatian 20 Feb 92 p 9

[Article by Ljubodrag Stojadinovic: "Blind Men in a Cuckoo's Nest"]

[Text] In Serbia, and for that matter even around it, the anxiety and fear of the upcoming ninth of March are growing more and more. The fear is justified in that the current government, castigating itself because of some conflicts, has identified democracy with chaos. Many immature people, ambitious to the point of hysteria, short on intelligence, and utterly without wisdom, are in motion at the center of the chaos. Some of them head parties, which are rather numerous, but with no chance in the democratic election race. Others lead small and militaristic groups of angry speechmakers and shock troops, and they, unable to promise anything good to anyone, threaten to finally do something terrible. They will initiate, they say, a violent struggle against the government, and in the name of their own rule.

The logic of the radical opposition nucleus, convinced that it can take the hot helm of Serbia only through a chaotic showdown of Serbs with Serbs, is not only foolish, but dangerous because more and more frequently we hesitate to tell the maniacs what they are and accordingly have the remnants of the state and the competent medical experts assign them mandatory guardians. If you only peel off the surface layer of the logic of the assault troops, for example, of Micunovic's "democratic" party, Draskovic's SPO [Serbian Renewal Movement], or Cavoski's Serbian Liberal Party [SLS], you lay bare wicked duplicity and anarchical and even shallow-minded retreat in the face of destructive impulses.

All three parties say that they are against the war in Croatia. This might be a matter of programmatic principle if these parties had their own program and if they were not advocating war in Serbia. The leaders of these parties are inclined to defend the Serbs over there where no danger threatens them, and they are silent about their agonies where they are really suffering. And from their position of an opposition they are reestablishing totalitarian styles, publicly branding all those who do not think as they do. What would happen and what will happen if, for example, Draskovic, Micunovic, Djindjic, and Cavoski designate themselves by force to be the oligarchic quartet of the new government? Let us see who these people are and what they are offering.

Micunovic, showing off his gray hair as a symbol of wisdom regardless of party, enjoyed popularity for a time even outside his own party, presumably because of his marked sedative tranquility. People were inclined to forget the unpleasant data in his biography, which indicate that he has been an informer for the police and for the Cominform and an utterly mediocre teacher in higher education. Compared to someone like Mihajlo Djuric or Ljubo Tadic, Micun is an undistinguished tribune in a Marxist circle.

In 1968, he did not fight against the "Reds," as he says, but for everything to become still redder, proposing that that color be the first word in the name of Belgrade University.

Today, he is a nervous old man, on his face he has a tic instead of a smile, and beneath the grimace a nervous tension which Cominform martyrs never manage to conceal. He is dangerous because he wants revenge for his past.

Much has been said about Draskovic. His predisposition to dictate conditions, which is nothing short of a pathological manner, must disturb any man with an inclination toward freedom. Draskovic is not dangerous because he is powerful, but because he is marginal, and neither at home nor in the party will they allow him that.

Dusan Djindjic has been displaying all the traits of a nervous high school boy who has been caught looking at a picture of a naked woman under his desk. He has a thirst for power, but his bitterness and the bile that he pours on everyone who does not agree with him have confronted the people with the classic figure of the neurotic dictator. Cavoski is a story all by himself, a man who, along with Kostunica, was showing sparks of a sound and critical intelligence until a few years ago, but he also got caught up in the rush. He defined Serbia as a country of miracles in which a "defeated army is looting public housing...."

The day after Women's Day the opposition will take to the streets in order, so its nervous leaders say, to drive out of Serbia the government and all who do not agree with the opposition. No one knows what might happen, but there are serious hints that something bad could happen.

At the center of Belgrade, the opposition is collecting signatures on a petition to remove the Serbian head of state. In front of the "Russian Tsar," where the SPO is set up, there is a big sign with the slogan: "Let us open Serbia's eyes and ears." Beneath the slogan, a member of that party is trying to get people to sign. One eye is completely covered by a bandage.

Is that just a bizarre case, or are once again the one-eyed men teaching the eagle-eyed, showing them where the future is?

Moral Lynching

When I wrote in the last issue about housing and purchasing, I did not even suspect that this would cause a virtual invasion of telephone calls. People are by and large saying that everything is fine, that certain things had been "skewered," but that the problem ought to be pursued to the end.

The problem, in my modest opinion, will be pursued to the end as soon as everyone has housing and at the same time is satisfied with the settlement of their housing problem. That is—never. For many, hope will remain in the sphere of a fond utopia, while some will cash in very nicely on the positions they hold in their villas.

For us ordinary people whom certain officials in the "housing department" look on practically as though we have stood in dirty boots on their Persian rug in the living room, the danger comes from two sides: from our own bureaucracy, convinced that everything exists in order to prove its eminence, and from an eroticized public, by means of which points are gained even in politics. (See the statement by Kosta Cavoski in the first section of this column.) In the end, it will turn out that the officers and civilian employees of the JNA [Yugoslav People's Army] are nothing more than looters in a society whose honesty is sterile. But only because certain people with quite a bit of influence think that we have been "defeated," and such people do not have the right even to what they have already gained.

The bitter impression remains that the average military tenant has for decades been taught that he would sometime be entitled to housing, because he does a difficult job, and he is unable to choose the town where he is going to live. For most, then, housing was allocated, just as they were told where they would be stationed in the past. Suddenly they are thrown on the market, which in the general confusion is merciful toward no one except the cream of the privileged. There is already a stratum of officers and civilians who are unable to purchase housing, because they lost everything when they left certain areas. Are they robbers, or the victims of a double robbery: of the ideological promise, which is no longer binding, and of an abstract right, which cannot be exercised without four walls? In the end, the military personnel, with their patriotic idealism, will end up not only the innocents in matters of social welfare, but also the main culprits for the immeasurable plundering of society in the "self-management system."

Why, finally, has Cavoski come down hard on the military tenants, who are making payments under the law, rather than on Vuk Draskovic, say, and the entire crowd of former communist-trade union bureaucrats who never paid for their housing, but simply took it?

Or they are all demolishing Belgrade in order to build still more beautiful housing units in it.

Surprised and Insulted

Following the flight of Tus and then the pilots Perisin and Borovic, word has arrived from the competent command that they were all "wonderful comrades and true Yugoslavs and that there could be no suspicion of them...."

Continue to believe me, comrades, but if such people absolutely have to fly, then let them do it in accordance with my modest proposal of an infantryman, in an enclosed space.

Slovene-Hungarian Agreement on Transportation

92BA0541B *Ljubljana DELO* in Slovene 17 Feb 92 p 3

[Article by Darja Verbic: "Reaching Hungary Only Through Slovene Territory"—first paragraph is DELO introduction]

[Text] Truckers are no longer to drive through Croatia and lose time with customs; Malev in Brnik soon, too?

Ljubljana, 16 February—At the invitation of the Hungarian Ministry of Transportation, Communications, and Water Management, the Hungarian capital was visited by a Slovene transportation delegation that was headed by Minister Marjan Krajnc. At a press conference, he spoke about the results of these talks.

A draft intergovernmental agreement on the regulation of highway traffic between Slovenia and Hungary was prepared even before our delegation left for Budapest; now the agreement has been signed, but the government still has to give its consent. As Minister Krajnc asserted, the agreement is extremely liberal. The Hungarians even proposed that highway tolls be eliminated completely, but this will be discussed further. At any rate, the most important thing is the agreement on highway transportation between Slovenia and Hungary "without a third state," that consequently truckers would no longer drive through Croatian territory and lose time with customs. There are two possibilities: crossing the Slovene-Hungarian border at the Dolga Vas crossing near Lendava, or at the Pince border crossing to the east of Lendava. There would be considerably more work at our Lendava, since highways would have to be built past Lendava and the road leading to it would have to be repaired. A joint group will be established to review the "terrain" and prepare proposals.

The Hungarians are also prepared to cooperate in building the Murska Sobota-Srebrni Breg-Monster railway line. At the meeting, the establishment of a consortium for building this railway line was discussed; funds would also be contributed by the European Bank for Reconstruction and Development. The Hungarian airline Malev would like to fly to the Ljubljana airport. The signing of an intergovernmental agreement on air transportation could take place by the end of March. Also formed was a telecommunications group that is to verify the possibilities for telephone communications and the laying of a new fiber-optic cable between the two countries.

B-H Constitutional President on 'Ghettoization'

Belgrade BORBA in Serbo-Croatian 14 Feb 92 p 10

[Interview with Dr. Kasim Trnka, president of the Constitutional Court of Bosnia-Hercegovina, by Ejub Stikovac; place and date not given: "Dr. Kasim Trnka on the Concept of the National State, Unconstitutional Acts, and the Future of the Central Republic: Ghettoization Based on 'National Communities'"—first paragraph is BORBA introduction]

[Text] People who explicitly support the unity of their "mother" republics advocate a partition of B-H [Bosnia-Hercegovina]. They will not even hear of any sort of autonomy in those republics, while in B-H they insist not simply on autonomy, but on the creation of special state communities.

YUGOSLAVIA

"The model of the national state and of constitutionality clearly cannot go hand in hand. That model refutes itself, or rather the people who advocate it. I will cite only a few examples. People who explicitly support the unity of their 'mother' republics advocate a partition of B-H. They will not even hear of any sort of autonomy in those republics, while in B-H they insist not simply on autonomy, but on the creation of special state communities. They welcome the fact that the constitutions of Serbia and Croatia clearly specify a bourgeois state, while with all their strength they want to make B-H a national one. I believe that the concept of a national state will always engender conflicts and that our only salvation lies in turning to European standards in the functioning of the system of government."

This is the opinion of the president of the Constitutional Court of B-H, Dr. Kasim Trnka, who does not belong to any party, while the institution that he heads is under continuous fire from decisions made by various bodies and organs that are unconstitutional or illegal. Everyone has his own interpretation of them, without the least bit of consideration for legal standards or the Constitution. Trnka says:

"The situation concerning constitutionality in B-H is very unsatisfactory, and we have warned about this on several occasions. However, the situation is no better or no worse than in other republics. I would like to mention that our republic previously violated the federal Constitution and laws least of all."

Ghettoization of Certain Nations

[Stitkovac] Can B-H emerge from the constitutional crisis and other crises, and how?

[Trnka] We can and must seek a way out just as other East European states have, including our own republics. This means a return to the classic form of state organization and systems, bearing in mind European economic and political standards. Until we achieve that, it is essential that we find some provisional solutions. It is necessary to ensure absolute national equality in the republic, and then to set up a Chamber of Nations.

I think that in its development up to now, B-H has neglected its regional organization, and regionalization must find greater expression, taking into account first and foremost economic entities. I think that in this way national tensions would diminish, because national interests would be manifested through regional self-rule. I also believe that it is essential that the level of community spirit that objectively exists in B-H be preserved. Still, I am convinced that only a multiethnic state community is possible in this area.

[Stitkovac] You once said that B-H had a special interest in the preservation of the Yugoslav community. Does it still have such an interest today?

[Trnka] Based on its geographic position and the national composition of its population, B-H has a special interest in fostering good relations with all the republics that encircle it. And naturally, not only with them. It is a

well-known fact that the basic framework of the B-H economy is compatible with the economies of other republics. Certainly Bosnia-Hercegovina has special interests in specific ties with other republics, but the war has disrupted and incapacitated much of that.

[Stitkovac] What is your interpretation of the notion of a "national community," on which the SDS [Serbian Democratic Party] in particular insists when the subject of interparty negotiations in B-H comes up?

[Trnka] This notion of a "national community" appeared unexpectedly. In effect, it assumes that the members of a nation live homogeneously in a certain region, that they have their own institutions, and that their representatives legitimately express the interests of that nation. There are examples of this elsewhere in the world: the national communities on Cyprus or in Belgium. In B-H, however, there are no ethnically homogeneous regions. There is not a single opstina in B-H that is ethnically homogeneous.

This notion is not a constitutional category, nor is it recognized by our legal order. Practically speaking, this notion reveals the desire of some political forces that would like to ghettoize certain nations.

Who Can Negotiate in Bosnia

[Stitkovac] Let us return to Bosnia-Hercegovina and the current negotiations on its future.

[Trnka] It is very essential that we see who exactly the negotiators are. Clearly, the services of the EC in these negotiations are welcome. The presence of a neutral factor as a participant could reduce tensions. Despite all this, the question arises of who should negotiate—national parties, parliamentary groups, or the legitimate organs of executive power and other types of power? I personally think that the negotiators could be the parliamentary parties alone. The Assembly would enact such a document in the end, and it could be ratified by referendum as well.

[Stitkovac] You mentioned a referendum. To what extent is the referendum scheduled for 29 February and 1 March constitutional? Are there differences of opinion about this?

[Trnka] This court was given the initiative to evaluate the constitutionality of the referendum, or rather of the decision concerning it. As president of the Constitutional Court, I am not in a position to state my personal opinion publicly, because this problem has not yet been studied in full, nor are the proceedings completed, and my opinion could be understood as prejudicing the Court's position, which I cannot allow myself to do.

As a jurist, I can say that this act was published in the Official Register and thus became part of the legal order. It is assumed to be constitutional until a decision is handed down by the Constitutional Court.

[Stitkovac] What is your assessment of certain earlier acts, such as the proclamation of a Serbian B-H...? There have been many such incidents.

[Trnka] I can only refer you to the document that the Constitutional Court approved unanimously and presented to the widest public audience with the remark that there was information to the effect that the Constitutional Court had not overturned a single act by the Assembly of the Serbian nation. The short explanation: Since the body in question is an illegitimate one, its acts cannot become part of the legal order, and as long as they have not become part of that order, it is inappropriate for them to be evaluated by the Constitutional Court. The Court has deemed that to be only one of the phenomena that are disrupting constitutionality and legality in B-H.

[Stitkovac] When the judges were elected to the Constitutional Court, was a national quota applied, or was expertise the only criterion?

[Trnka] I am glad you asked that, because there is plenty of manipulation about the national composition of the Constitutional Court. I would remind you that from 1963 until recently, the Constitutional Court had a very unbalanced national structure, and that the political structures there did not pay special attention to that problem. In February 1989, when five judges were chosen (10 had been nominated), it so happened that the people chosen through secret balloting in the Assembly were such that we would have the following breakdown: five Muslims, two Serbs, and two Croats. Therefore, no one projected this sort of national structure, nor was there any insistence on such a projection based on the Constitution. In the recent election of three judges on the Constitutional Court, their national representation was balanced out, so that today we have four Muslims, three Serbs, and two Croats.

Karadzic on Coexistence of Serbs, Croats, Muslims

92BA0544A *Ljubljana DELO* in Slovene 15 Feb 92 p 22

[Interview with Dr. Radovan Karadzic, Serbian Democratic Party leader, by Vili Einspieler; place and date not given: "Croats and Serbs Have the One Same Love"]

[Text] Professor Radovan Karadzic is following in Milosevic's footsteps. He has also changed overnight from an furious fighter for the rights of the Serbian people into a mild and understanding peacemaker. He is no longer scaring children with hair-raising stories about Ustase and fascists, and is preaching from an "Orthodox pulpit" about forgiveness and eternal love between Serbs and Croats. They have also listened to these sacred words, but his good intentions have not yet reached Muslim hearts.

[Einspieler] Just yesterday you were a bitter opponent of the confederalization of Yugoslavia, but today you are supporting a confederate state system in Bosnia-Hercegovina [B-H].

[Karadzic] B-H is Yugoslavia on a small scale. Since Yugoslavia has collapsed, B-H also cannot remain the same as it was yesterday. Confederalization was not possible because those advocating that project were

proceeding on the basis of the AVNOJ [Antifascist Council for the National Liberation of Yugoslavia] borders, which would mean that a large number of Serbs would be left outside their own homeland. This would also cause the Serbs outside Serbia's borders to lose their rights as a constituent people, as clearly demonstrated by the Croatian constitution. I also opposed this idea because I was aware that confederalization would require changing the republic borders.

[Einspieler] Does that also apply to the confederalization of B-H?

[Karadzic] Changes in B-H depend upon the extent of the changes in Yugoslavia. Even if Yugoslavia does not break up, it would not be possible to prevent the federalization of B-H.

[Einspieler] It seems that today you would not reject the project for a Yugoslav confederate state system?

[Karadzic] I would accept any form of Yugoslav association, under the condition that first of all we would correct the borders, and in doing so we would proceed on the basis of peoples' right to self-determination. Tito's borders are to blame for all the problems in Yugoslavia. If the borders had been fairer, the transformation of Yugoslavia would have been completely painless.

[Einspieler] In your opinion, the Serbs and Croats loved each other up until 1918, and could also love each other in 1992....

[Karadzic] Relations between Serbs and Croats were not strained until 1918. They were warm and characterized by their common interest in establishing a joint state of southern Slavs. The antagonism between them began when they entered the joint state. It would be logical to conclude that mature and rational peoples will not cultivate antagonism even after its cause has been eliminated. Consequently, if we were friends until 1918 and enemies from then until now, there are real possibilities that Serbs and Croats would become good neighbors, if not friends, after 1992. If the reason for the antagonism was the joint state, which has collapsed, we can expect Serbian-Croatian relations to improve. I am advocating a sudden improvement in those relations; Serbs and Croats ought to sit down together, without mediation from anywhere else, and try to settle all the disputed issues, including the disputed borders, through mutual concessions. They should also conclude an agreement on non-aggression and cooperation between the two sovereign states—of Serbs and Croats.

[Einspieler] After the merciless war in Croatia, which has required casualties on both sides, is such forgiveness possible?

[Karadzic] It is human nature to push all unpleasant facts into oblivion. Antagonism is also a fact that is the opposite of living. I am therefore convinced that Serbs and Croats will wait with great relief for an opportunity to pardon each other for everything and to become reconciled.

[Einspieler] The Cetnik and Ustasa movements rose from the dead after 45 years of peace....

[Karadzic] The antagonism was preserved because it was preserved by the dictatorship under which we lived. The dictators cleverly manipulated us. They blamed Croats for Serbs' difficulties and vice versa, and it did not occur to anyone that it was not Serbs, Croats, or Slovenes who were to blame, but rather the dictatorial regime.

[Einspieler] You have not yet answered Izetbegovic's publicly posed question about how you conceive of the ethnic partition of Sarajevo.

[Karadzic] All the important joint institutions are in the Sarajevo Center opstina. This opstina would have to remain extraterritorial. The other opstinas are predominantly Serbian or Muslim, and there are also possibilities for establishing one Croatian opstina. This is nothing new; we had such a model for several centuries of Turkish occupation, and Serbian, Muslim, and Croatian quarters also existed in Austro-Hungarian times. That model is also known in Europe, wherever two ethnic or religious communities exist.

[Einspieler] Although only about 6 percent Croats live in Sarajevo, you have allegedly left them the Novo Sarajevo opstina, where the majority population is Serbian, in this partition process?

[Karadzic] No. Novo Sarajevo will remain Serbian. The Croats can get only part of Ridza and Novi Grad, where it is completely their quarter. In that area, where they are most concentrated, they can form a new opstina.

[Einspieler] Does that mean that the Serbs and Croats will make concessions to each other, but the Muslims will be pushed against the wall?

[Karadzic] The Serbian Democratic Party [SDS] is against a coalition of two peoples against a third. It advocates a partnership among the three national parties. Party maneuvers are unnecessary, and they can be immediately ignored. Since Serbs have also joined other parties, and not just the SDS, the Serbian people's parliament in B-H is composed of several parties. That kind of parliament must also be established by the Croats and the Muslims; in addition to the three national assemblies, which would handle all the affairs of their own national communities, there would also be a joint parliament, which would be composed on the basis of parity. Although, for instance, only 17 percent of B-H consists of Croats, that still does not mean that they cannot have 100 percent influence over their own destiny.

[Einspieler] Consequently, the confederalization or cantonization of B-H would not limit Muslims to the "Sarajevo pashadom"?

[Karadzic] The Muslims will be left B-H's richest territory. They will get two thirds of Sarajevo, a considerable piece of western Herzegovina, and all the areas in central

Bosnia that are colored green on the ethnic map of B-H. This is the most industrially rich, developed, and populated part of B-H.

[Einspieler] What do you expect from the conference on B-H?

[Karadzic] Mr. Izetbegovic, who is trying to downplay the significance of this conference, will have to accept the consensus or admit that he wants to dominate in B-H.

[Einspieler] Izetbegovic may decide as early as tomorrow on a state association of B-H with Serbia and Montenegro. Can an Izetbegovic-Milosevic pact prevent a fratricidal war in B-H?

[Karadzic] I was not aware that such a pact was in sight. Even if it happens, the SDS will not betray the Croatian people, but will instead respect their will to establish sovereignty in their own canton. With sovereignty in their own canton the Muslims can also do whatever they wish, and can join in a confederation or federation with both Serbia and Croatia. That is their free choice. It also seems to me that the belief in the need for some sort of Yugoslav association to exist is ripening. Consequently, we should settle the question of the disputed territories as soon as possible, so that we could join in the process of European integration and revive our economy. This problem can be solved through the prescription that was indicated by the SDS and developed by the HDZ [Croatian Democratic Community]—i.e., cantonization with sovereign cantons. The model of sovereign cantons and national communities was initially also applied in Switzerland; it is also the only way for B-H to avoid a civil war.

[Einspieler] Doesn't a partition of B-H mean that the state-creating peoples will be reduced to national minorities?

[Karadzic] The rights of members of all three peoples will be guaranteed according to a reciprocal system. They will be written in a constitution that will be available to the international public. The Serbian Assembly has already prepared a constitution for the republic of the Serbian people in B-H. This constitution will reflect our democratic nature and respect for human rights. We expect that the other two national communities, in their own constitutional documents, will also guarantee the rights of members of other peoples in the territory where they are in the majority.

[Einspieler] Paper can convey anything. The distrust of papers has also caused national divisions in B-H....

[Karadzic] That is why we will have joint bodies, namely a council of ministers and a parliament. It will be a place for studying possible injustices and for ensuring the equality of all three of B-H's constituent peoples.

[Einspieler] Are changes in republic borders anticipated in this scenario?

[Karadzic] The borders could remain the same as they are today. If we establish Serbian, Croatian, and Muslim

sovereignty in their own cantons, the collapse of B-H is unnecessary. In this case the Croats could have strong ties with their parent republic, and could even introduce the Croatian citizenship that they are demanding.

[Einspieler] The Serbs are not demanding dual citizenship?

[Karadzic] The Serbs do not need it, because they already have Yugoslav citizenship.

[Einspieler] Citizenship in a state that has collapsed and no longer exists....

[Karadzic] To a certain extent, Yugoslavia still exists. B-H can be preserved, if it is transformed. Just as a unitary Yugoslavia was not possible, a unitary B-H is not possible either. This republic can be a confederation, like Switzerland, for instance. It is the European model that we have in Belgium, where two national communities exist, and in the Netherlands, where there are two religious communities.

[Einspieler] In Belgium, the citizens are first of all Belgians, and only afterwards Flemish or Walloon....

[Karadzic] At the beginning of the confederation in Switzerland that was not the case. Life will have its own effect, and so we will probably also come closer together.

[Einspieler] Bosnians will again be Bosnians?

[Karadzic] Yes, but Serbian, Croatian, and Muslim Bosnians. At this time of great social upheavals and distrust, we have to adopt the kind of model that Switzerland had in the very beginning.

[Einspieler] The HDZ and the SDS advocate an ethnic partition, but the SDA advocates an integral and independent B-H. Has the similarity of interests contributed to a Serbian-Croatian coalition?

[Karadzic] There is a fundamental difference. A similarity of interests still does not mean that there is a coalition. Specifically, the Serbs and Croats are advocating the fulfillment of their own rights, but they are also acknowledging those rights for the Muslims. The latter, however, want to dominate the Serbs and Croats, which simply will not work. The Muslims do not have any right to domination, and B-H will not be their parent republic and unitary state. The relationships in this regard are very clear.

[Einspieler] Is Kljuic's removal a consequence of an agreement between Milosevic and Tudjman on the partition of B-H among Serbia, Montenegro, and Croatia?

[Karadzic] That is not the case. Milosevic, who does not even know Kljuic, did not have any influence. It is an internal affair of the HDZ, but I think that this resignation should have occurred even earlier. His positions in the Presidency of the B-H Socialist Republic and the HDZ were incompatible. This also applies to Izetbegovic. That is also why I am not sitting in the SFRY Presidency instead of Begicevic.

[Einspieler] The resignation of the HDZ leader, who is being criticized for following Izetbegovic's line too much, nevertheless works to your advantage....

[Karadzic] That is a syllogism that I do not accept. Since I am convinced that the HDZ adopts decisions democratically, I cannot claim that Kljuic's resignation suits me. I have good relations with Kljuic, he will continue to serve in the B-H Presidency, and we will be interlocutors again.

[Einspieler] The world thinks that B-H is a powder keg that could explode at any moment. You joined those who condemned Babic's opposition to Milosevic. Are you still opposed to the blue helmets' coming to B-H, and why?

[Karadzic] I did not condemn Babic; I only supported the blue helmets' coming to Croatia. To be sure, I fully understand Babic's fear and distrust of the Croatian armed forces. Although I understand him, I think that any peace is better than any war. There is a very sensitive balance in B-H among the three national communities, which is being preserved well by combined patrols by the JA [Yugoslav Army] and the B-H police. I therefore think that it is completely unnecessary for the blue helmets to come to B-H, and this could even disrupt the balance and lead to armed conflicts.

[Einspieler] How has the SDS prepared for the possible success of the referendum on B-H's independence and for international recognition of its existence within the AVNOJ borders?

[Karadzic] We have made excellent preparations. It is a referendum of the Croatian and Muslim national communities, and not a referendum of the citizens of B-H. The Serbs have already spoke out in a plebiscite; after the referendum is over, we will know the will of all three peoples, which means that we will sit down together and negotiate again. That kind of referendum will not mean any final decision. It would be very unreasonable of the EC to recognize that kind of B-H. If they do recognize it, and if Izetbegovic actually tries to put the authority of independent B-H into effect, he will not be able to control almost 70 percent of his own territory. The Serbs have developed a comprehensive program for full control of the territory where they are an ethnic majority. Therefore, what would such an independent state be like? Izetbegovic has made several mistakes, but the two most dangerous ones are the demand for a referendum and the decision to schedule the referendum, in which the Serbian people did not participate. That is why the Serbs do not accept them as legitimate, and do not consider those decisions to be valid. All disputed issues in B-H have to be resolved with the consent of all three constituent peoples.

[Einspieler] The war in Croatia has ended for now without winners and losers. What will the Serbs gain through a possible war in B-H?

[Karadzic] A war in B-H would not solve anything. It would cause a resettlement of peoples; Serbs, Croats, and

Muslims would flee from their native areas to Serbian, Croatian, and Muslim ones. There would be many people dead, wounded, starving, we would have numerous destroyed cities, and in the end we would be in the same position that we are in today. The ethnic picture of B-H would be more homogeneous and purer, but we would have to sit down together and negotiate again. That is why a war is irrational; it would complicate the possible solutions even more, and the human catastrophe would reach an unprecedented level. I am convinced that there will not be a war in B-H. All three national communities are well-armed, and the balance of fear is a guarantee of peace in B-H.

[Einspieler] Are the Serbs in B-H threatened with starvation because of the Serbian embargo on exports of goods to this republic?

[Karadzic] The Serbs are also threatened with starvation.

[Einspieler] And you are indifferent?

[Karadzic] Serbia has clearly stated the conditions under which it will even share its last kilogram of bread with B-H.

[Einspieler] If Bosnia is annexed to a Greater Serbia?

[Karadzic] No, that is not true. There are two conditions, first, that B-H does not introduce its own currency, and second, that it prevent the reexport of food from B-H. Specifically, it imported three times more food from Serbia than it required for its own needs. B-H enterprises were trading in Serbian food, importing it from Serbia and then selling it for five times the price to Slovenia and Croatia. This weakens Serbian economic power. That is why we fully understand the Serbian government measures. These are economic measures, which are only indirectly political ones as well.

[Einspieler] What will the SDS do if B-H nevertheless introduces its own currency?

[Karadzic] That money will not be valid in 70 percent of B-H's territory. It will have to be limited to Muslim areas, wages, and pockets, because as far as I know, the HDZ will not accept this money either.

[Einspieler] Does the uncontrolled printing of money at Topcider suit the Serbs in B-H?

[Karadzic] I do not believe that money is being printed without restrictions. We will all pay for it together with inflation, which is a regular phenomenon in the economy. When the war is over, we will reduce spending to a normal level and the money will recover. Changes in monetary policy have to do with state measures, but we Serbs will not recognize an independent B-H.

[Einspieler] When will Serbia recognize Slovenia?

[Karadzic] Serbia cannot recognize it, because it is not an internationally recognized factor. Slovenia will not gain anything from this recognition. It has to request it

from the rest of Yugoslavia, and it has to receive it without any complications whatsoever. When Slovenia is recognized by its parent country, the whole world will recognize it. We can also agree that Slovenia would be a successor to Yugoslavia's legacy under international law, and it could thus be admitted to the UN very quickly. If Serbia recognized it, it would be the same thing as if Bavaria recognized it. I cannot understand why the Slovenes, probably out of solidarity with Croatia, are rejecting the legal route to establishing their own independence. Specifically, in this case it would no longer involve a unilateral act of secession, but rather disassociation by consent, and Slovenia would keep all the rights that it acquired in Yugoslavia.

Slovenia's Ethnic Structure According to Census 92BA0544B Ljubljana DELO in Slovène 12 Feb 92 p 1

[Article by Ilija Popit: "Slovenia's Population by Ethnic Composition"—first paragraph is DELO introduction]

[Excerpt] The Statistics Institute has published provisional data on last year's census; 1,962,606 inhabitants.

Ljubljana, 11 Feb—Although the final data from last year's population census will not be known until August, there is so much interest in the composition of Slovenia's population with respect to ethnic structure that the Republic Statistics Institute has already published provisional data.

The elimination of mistakes to date has reduced the number of citizens permanently living in Slovenia at the end of last March from 1.98 million, which is how many there were supposed to be according to the initial data, to 1,962,606 citizens, according to the present provisional data. This included 1,718,318 Slovenes, 53,688 Croats, 47,097 Serbs, and 26,725 Muslims; 12,237 citizens declared themselves to be Yugoslavs, whereas 8,872 citizens did not want to state their ethnic identity; there were 8,499 Hungarians, and 5,206 citizens gave regional identifications. At that time there were 4,412 Macedonians in Slovenia, 4,233 Montenegrins, 3,558 Albanians, 3,063 Italians, 2,282 Gypsies, 546 Germans, 322 Czechs, 213 Ukrainians, 204 Poles, 182 Austrians, 171 Russians, 164 Bulgarians, 153 Turks, 138 Slovaks, 98 Romanians, 57 Ruthenians, 37 Vlachs, 36 Jews, and 22 Greeks, along with 1,212 citizens from other ethnic groups. There were also 60,861 people who tried to make a joke and gave answers that were grouped together in processing as "vague answer."

Through a comparison with the data on Slovenia's population that are contained in the permanent population registry, the Institute thinks that a considerable proportion of the republic's population "ducked" the census. Nevertheless, the "gap" is not a large one, since German censuses show the same thing, and the latest American ones even have a considerably higher gap. [passage omitted]

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